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SATURDAY NIGHT

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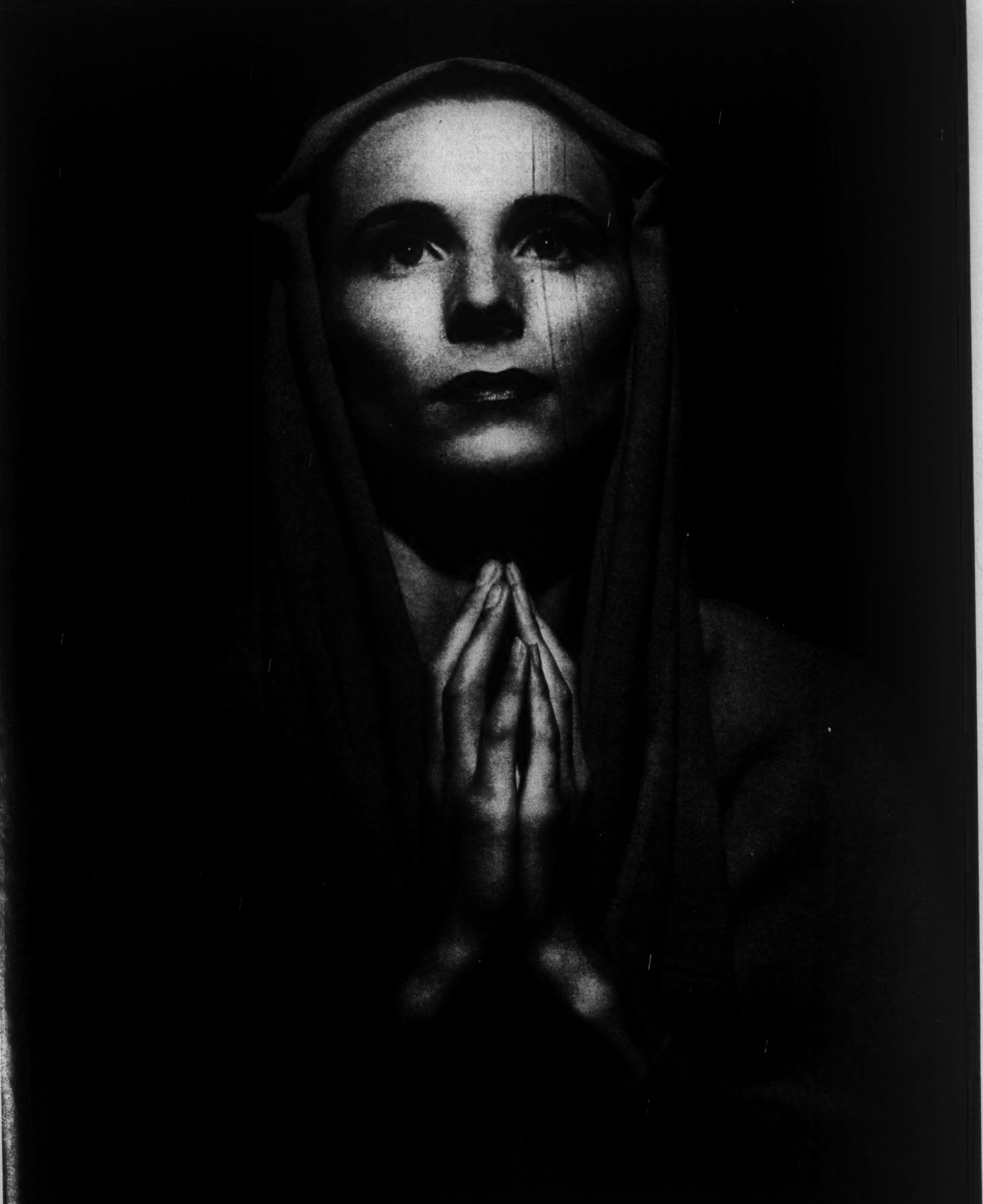
THE CANADIAN ILLUSTRATED WEEKLY



—*Photo by John Steele*

Natalia Butko, of Canada's own Volkoff Ballet, which is rapidly winning approval at home and abroad. With the able Winnipeg Ballet, the Volkoff troupe is planning a Canadian Dance Festival. See p. 3.

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THE FRONT PAGE

Price Probe As Safety Valve

THE committee of parliament that is to look into the matter of price increases will soon be getting down to work. One wonders what it can do,—at least what it can do that will help anyone with the possible exception of the C.C.F.

Apparently it is Mr. King's idea; he believes that it will act as a safety valve through which the country in general, and members of parliament in particular, can let off steam about high prices. Unfortunately it seems all too likely to turn out to be a steam whistle, tooting about the wickedness of profits and the need for price controls.

We admit that we have neither the Prog-Cons' conviction that more controls would soon land us all in slavery, nor the C.C.F.'s belief that all important phases of our economic life should, on principle, be directed from Ottawa; our own belief about a general extension of controls is that it simply could not be made to work. Our information from Ottawa is that the cabinet ministers who know most about price controls, such as Mr. Ilsley and Mr. Abbott, share this view and are determined to prevent some of their colleagues, who are rather susceptible to the widespread clamor for ceilings, from doing anything rash.

A lot of people certainly want price ceilings and other controls back again, but—and this is the great difference between now and wartime—they want the controls on other people and not on themselves. This is true of wage earners and farmers and business men. Controls will work, not merely because a lot of people *want* them, but only if most of the people to be controlled are *willing* to have them and abide by them.

1935 and 1948

THIRTEEN years ago another parliamentary committee was questioning high prices. It produced the famous Price Spreads Report of 1935. Like the present committee, its original purpose was to act as a safety valve, but in the end it blew a valuable Minister, Mr. H. H. Stevens, out of the cabinet and produced a separate political party, the Reconstruction Party, that sapped the strength of the government which appointed it.

Mr. King—assuming that he leads his party long enough—is no doubt too astute to allow such goings-on as a result of his new committee. On the other hand Mr. St. Laurent is said to look with some affection on reimposition of controls.

The present committee is not likely to leave the lasting effects that its predecessor did. For all its muddle and emotion, the Stevens Report did focus national attention on certain evils. Partly for constitutional reasons, little federal legislation resulted directly from it, but it influenced the two subsequent revisions of the Combines Investigation Act as well as a good many provincial laws.

The old committee was tackling problems and airing grievances of several years' standing and with deep roots in our form of economic society, but the new committee will be talking about matters of a very temporary nature (except in so far as the C.C.F. can make it a forum for socialism vs. capitalism). We have been passing through an inflationary period when business can scarcely avoid making "unreasonably" large profits and when well organized labor unions can easily get "unreasonably" large wage increases. Further, during the past twelve months we have taken off price controls and U. S. prices, which were higher than ours to begin with, have been rising during the whole period. No very fundamental observations or conclusions are likely to come out of a survey of such a period.

The whole affair is likely to be rather painful for the Liberals. Perhaps it is best regarded

(Continued on Page Five)

Music for Hamlet Had to Be "Unnoticeably" Good

By Charles Kent

SIR Laurence Olivier has now completed production on his film version of "Hamlet", and Canadian audiences will soon (probably late May or early June) have an opportunity to compare it with his enormously successful "Henry V."

The producer, director, editor and technicians made "Hamlet" in 32 weeks. They had to overcome many unusual difficulties, not the least of which was the music.

William Walton, after months of hard work, produced his score. He had to work to the plan of the film, already decided, and compose music to suit moods created by director and actors—and by Shakespeare. He had to work to the tyranny of a stopwatch, producing passages to last for exactly a certain number of minutes to match the editing of the film. This type of work, however, was not new to him for he had already composed scores for "Target for Tonight", "The First of the Few" and "Henry V".

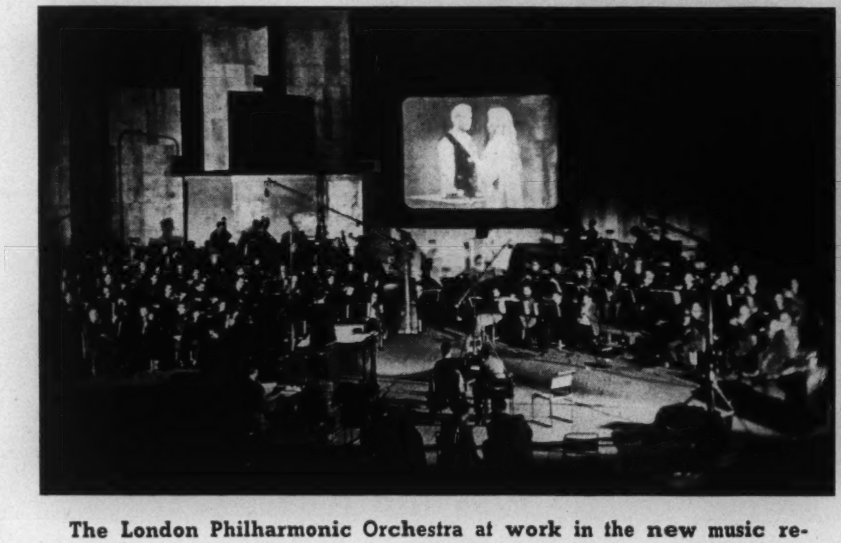
It took a hundred musicians and technicians eight days to record Walton's score on the film's soundtrack, yet Olivier will only be satisfied if the music is so good as to be almost unnoticed.

Until little more than a year ago, British studios did not have a single first-class music recording theatre among them. Music for films was recorded in theatres—often too small for large orchestras, in recording studios, even in town halls, some of which have very fine acoustics. Nowhere could the film easily be screened as the music was played; always equipment had to be shifted here and there, with musicians and technicians trailing behind.

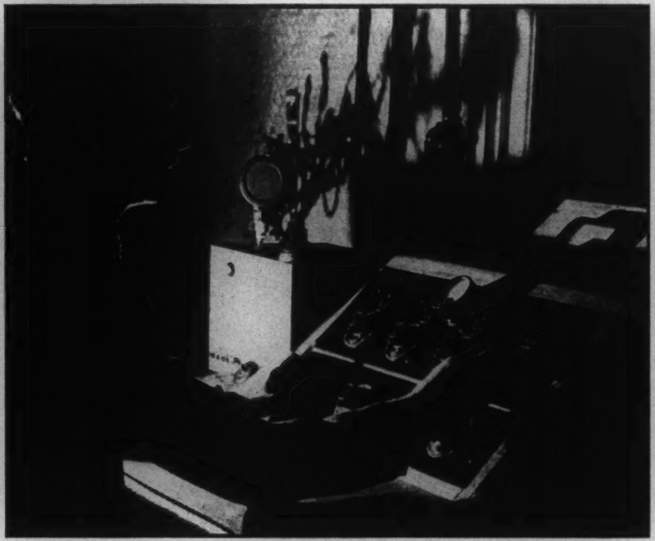
FINALLY the Rank group decided that these elaborate methods were creating a bottleneck in production. One of the seven sound stages at Denham, Bucks., was converted for music recording and this is where the "Hamlet" music was done, under the watchful eyes and ears of Laurence Olivier, William Walton, Muir Mathieson (music director of 200 British films) and more than a hundred musicians and technicians.

The aim of them all was good team work, and if they have succeeded you will not be any more aware of the music when you see the movie than you are of the sound recording, or the cutting. But the music will have made its effect in underlining and deepening the visual impact of the film, thus adding to its promise of success.

Sir Laurence Olivier's screen production of "Hamlet" is finished. Final step was the recording of the music on film's soundtrack.

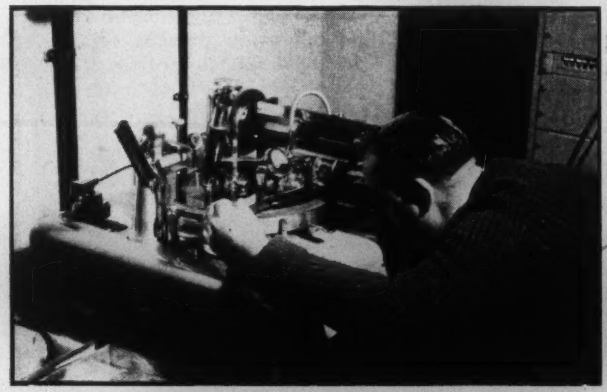


The London Philharmonic Orchestra at work in the new music recording theatre at Denham studios, near London. At right . . .

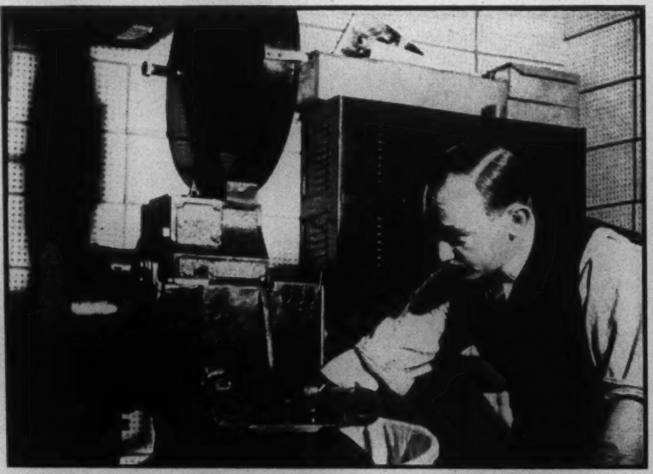


. . . the "music-mixer" at the music panel controls sounds picked up by microphones. He can . . .

. . . speak to conductor and technicians through mike. Olivier and music director listen too.



Disc recordings are taken for immediate playback. Simultaneously the sound, converted into a . . .



. . . fluctuating beam of light, is being photographed on film and is then developed and printed (above).

The playback. Director, musicians and technicians listen and watch. Indicator left of screen . . .

. . . times scenes. Above, music assistant follows composer's score; conductor John Hollingsworth . . .

. . . wears earphones to pick up dialogue as well. Finally, Laurence Olivier sees film complete with words and music for the first time.

Talented Ballet Stars Are Developed in Canada

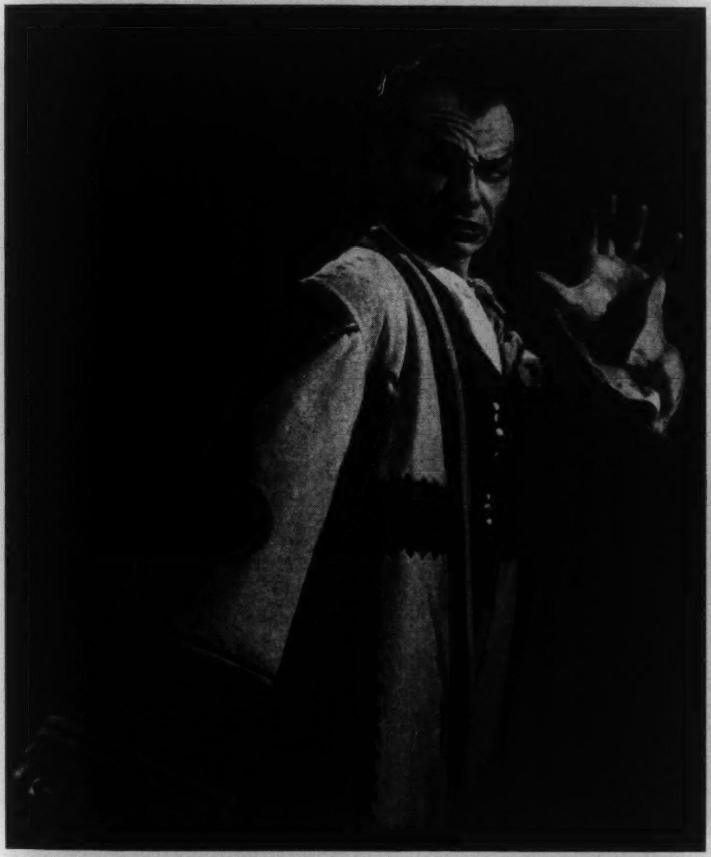
Story by Paul Duval
Pictures by John Steele

CANADIAN-trained ballet dancers have contributed considerably to the major dance-companies in the U.S. and abroad. The American Ballet Company, the Ballet Russe, Manhattan's Radio City Ballet, London's famed Sadler's Wells Company—all of these have benefited by the addition of Canadian dancers. Canada's ballet exports have certainly not been inconsiderable, and have done much to increase the international reputation of this country's teachers and talent.

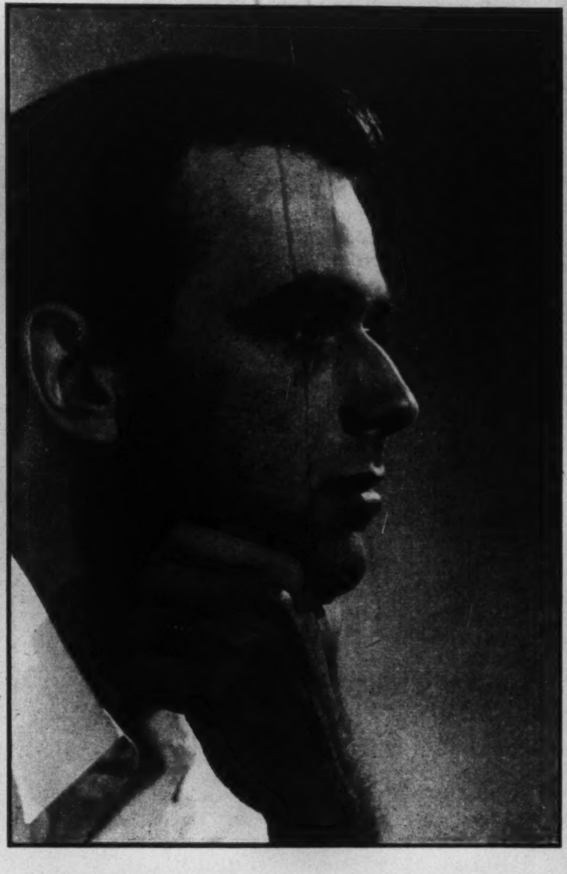
Those dancers who stay at home play no less a part in the Dominion's achievement as a dance nation. They are building up a dance-consciousness here, constructing the art where it is most needed. The dancers on this page are members of Toronto's Volkoff Ballet, one of the two important Canadian companies, and symbolize the talents and hopes of all our dance groups large and small.

Boris Volkoff, Russian-born director of Volkoff Canadian Ballet Company. Volkoff was once member of Moscow troupe.

The Volkoff School starts training students at a very early age. This is thirteen-year-old Jill Massey, a member of the junior school.



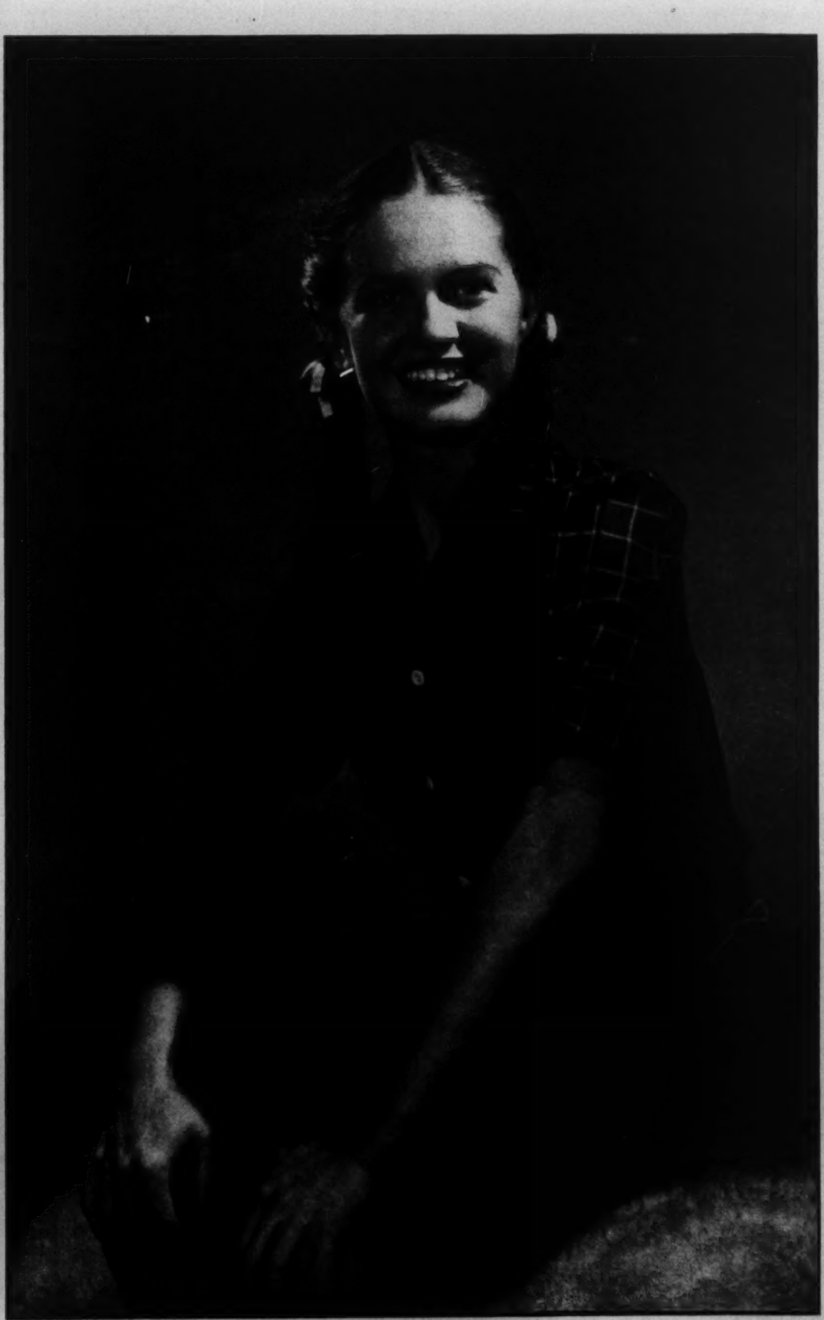
Sydney Vousden, leading character-dancer, is seen here in one of his best roles, "Dee-Dee" from "In the Park."



William Diver, classic dancer, performs leads with the troupe. Male talent is scarce.

Dorothy Dennenay, featured Volkoff dancer, is typical of the high quality of talent which is being developed today.

Janet Baldwin, wife of Boris Volkoff, is a fine dancer and an outstanding teacher.



This happy young lady in rustic costume is Barbara Ferguson, a leading performer. Volkoff-trained dancers are now starring in the U.S.

DEAR MR. EDITOR

The Exchange of Trained Personnel Improves U.S.-Canada Relations

Editor, SATURDAY NIGHT:

IT IS always interesting and sometimes instructive to see yourself as others see you. The writer, an ex-Canadian engineer, has read Mr. Peter Alameine's article (S.N., Jan. 24) concerning our predominant and undesirable traits with interest, and, as the reading progressed, with growing astonishment; he believes that Mr. Alameine, feeling the way he does, has used unusually good judgment in returning home. There are times when he has wished that other members of our Empire family, who seem determined to make us over as they think we should be, had done likewise.

Many articles have been written decrying the loss of Canadian graduates to the south. It seems to the writer that just as long as U.S. capital is used to develop Canadian resources, just so long will there be a natural and necessary exchange of technical and managerial personnel. When Canadians develop their own resources with their own capital, the managers will find plenty of good native technical talent available and the desire for the green fields of this country will vanish. Neither does it appear to the writer that this exchange of personnel is particularly to be decried. Rather does it not imply a better understanding between the two countries? We are, in the present scheme of things, irrevocably dependent on each other, both in military and commercial matters. A leavening by exchange of highly trained executives will have a potent influence on the relations of the two countries in the future.

Now consider a young Canadian—a technical man—who finds economic reasons for considering our country. What should he expect to find? First, as far as the writer can judge, job for job the Canadian is just as well off in the long run in Canada. There are differences of course, but if he has a job which is reasonably in line with his abilities, and his opportunities ahead with his company are promising, by all means he should stay put.

However, if he does come, he should be prepared to meet competition and plenty of it. Technical jobs are plentiful or seemingly so right now, but he will find the good jobs are pretty well taken nonetheless. Usually being a Canadian is no particular handicap, but in times of depression it will be a distinct handicap. There will be pressure for Americans only. Further, the prospective employer will delve deeper than the degree. He is looking for future executive material—make no mistake about it—and once in, the young Canadian will be given every chance to succeed. Pretty much the same as Canada? Just about. I never observed much difference.

If the Canadian finds his first selection unsuitable he will find many other openings for trying again, many more chances than in Canada.

Community life he will find pretty much as he makes it. Churches, lodges, and clubs are all well filled and the Canadian will be welcome. He will find political life much more intense here than in Canada, with differences which will at first seem crude. But later on he might not consider Canada's system so good for the U.S. Still later he may come to realize the system of checks and balances in the political life of this country as after all a fair system.

There is one well known economic fact which every young emigrant should ponder: that the economic swings in the U.S. are considerably greater than in Canada. At present the curve is upward with a tendency to flatten out indicating a top coming. When we hit bottom—no one knows when—we will hit good and hard. Keep this in mind in your timing. Don't quit at the wrong time, or come in at the wrong time.

Niagara Falls, N.Y. R. McCULLY

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Pish Tush to Peter

Editor, SATURDAY NIGHT:

IN PETER ALAMEINE'S article (S.N., Jan 24) your synopsis says it is a "bit severe and disparaging". To me it is also evident that it was written by an immature person displaying the usual characteristics of intolerance and bragging.

That insincerity, emotional instability and a host of other discreditable traits are purely American characteristics! And that the "original, superior, phlegmatic, courageous Englishmen," alas, have disappeared; and only in Canada will you find good breeding, justice and quiet superiority!

Oh! pish tush to Peter and all that sort of thing, don't you know?

Kewagama, Que. G. L. MILLS

"Protestant Community"

Editor, SATURDAY NIGHT:

THE letter captioned "Cowley Fathers" (S. N., Jan. 24) is wrong in both its contentions: (1) that the Cowley Fathers are not a Protestant community; and (2) that the word Catholic does not appear in the Anglican Prayer Book.

The Church of England, to which the Community of St. John the Evangelist belongs, is the Protestant Reformed (i.e., non-papal) Church of England and therefore all its members can be correctly called "Protestants" and the Cowley Fathers "a Protestant community".

This in no way contradicts the community's position as upholder of the Catholic tradition in the Church of England, or of the Church of England's position in the Catholic tradition. The Greek Orthodox, Russian Orthodox, Norwegian, Swedish, Old Catholic and other churches are like the Anglican in this and other respects.

It is completely untrue to state that the Anglican Prayer Book nowhere uses the word Catholic of the Church. One has only to glance at the daily services of Mattins, Evensong and the Holy Communion—at one time "commonly called the mass". The Bidding Prayer has it. It appears in this way in the Sacrament of Holy Baptism, in the Catechism and in the Preface of 1662, to mention a few instances.

(Rev.) W. H. M. CHURCH
Rector, St. Stephen's Church.
Coaticook, Que.

Emigration Echoes

Editor, SATURDAY NIGHT:

THE following paragraphs — one written in 1948 by your special writer, Harwood Steele, on British emigration (S. N., Jan. 31) and the other by a great American just a century ago—deserve to be linked and, I think, brought to the notice of SATURDAY NIGHT readers.

(1)—"Extensive trade needs powerful, prosperous customers. Emigration has helped to provide them for Britain. Britons made up 43.3 per cent of the total immigration of the United States in 1861-1870, 28 per cent of that immigration in 1871-1895 and a high proportion since; while about 47 per cent of Canada's population, 90 per cent of Australia's and New Zealand's, 40 per cent of the Europeans in South Africa, are of British stock. These expanded overseas industry and agriculture, seemingly at Britain's expense. Yet Britain's trade mightily increased; and where would she be without overseas agriculture today?". . . (Harwood Steele).

(2)—"I told Carlyle that I was easily dazzled, and was accustomed to concede readily all that an Englishman would ask; I saw everywhere in the country proofs of sense and spirit: I like the people; they are as good as they are handsome; they have everything and can do everything; but meantime, I surely know that as soon as I return to Massachusetts I shall lapse at once into the feeling, which the geography of America inevitably inspires, that we play the game with immense advantage; that there and not here is the seat and centre of the British race; and that no skill or activity can for long compete with the prodigious natural advantages of that country, in the hands of the same race; and that England, an old and exhausted island, must one day be contented, like other parents, to be strong only in her children. But this was a proposition which no Englishman of whatever condition can easily entertain". . . (Emerson, in 1849).

Toronto, Ont. WALTER P. DAVISSON

The Late J. S. Hoath

Editor, SATURDAY NIGHT:

I WAS very glad to note a photograph of the late Mr. J. S. Hoath, with a suitable tribute (S. N., Jan. 24). I thought it was very fine to see him remembered in this way. For many years I knew Mr. Hoath, and looked forward to his visits. I always learned much from him, for he was a man in his own right. We shall miss his occasional visit, with observations rooted in the experience of a long life.

May I say I have been a reader of SATURDAY NIGHT since the days of the late Edmund E. Sheppard, (Don). When I first came to the city as a student I had the privilege, through an older friend, of meeting Mr. Sheppard for a few minutes at his office. It was a great occasion for me at least, and among the great and the near-great whom I have interviewed in the past forty years, I still remember Mr. Sheppard as one of the tops—a man of very strong convictions.

Nor did I overlook his skill in expectorating from a juicy quid into a spittoon some seven feet away—an art acquired, doubtless, when he lived for a time with the cattle men of Texas.

Capable men, however, have taken Mr. Sheppard's place, and I continue to read with interest much that is contained in the Front Page.

Toronto, Ont. E. W. BRADWIN,
Principal, Frontier College.

Passing Show

THE *Globe and Mail* reports the will of a British multi-millionaire who left half his fortune to a ballet-dancer who "defriended him in his latter years". And it probably wasn't a difficult job at that.

•

Airplanes have taken to flying around over Canada without anybody in them, so don't be too much alarmed next time you see one coming down in your back yard.

•

Millions of children in Europe have not enough to eat. Canadians have plenty and to spare. Who's paying for the war?

•

General Eisenhower says Russia is not in a position to fight a "global" war. Why not tell her that any war she does fight will be a global one?

•

Short Disciplinary Poem

Mister Croll
Wants price control.
Mister King
Wants no such thing.

•

Paris cables say that Goya is the inspiration of much of the new fashions. They fail to state whether these are based on the "Maya Clothed" or the "Maya Nude".

•

Ten months and a half to Christmas, but only two and a half to April 30, the other great date of the modern year.

•

Shed a tear for the new arty magazine *Here and Now*, whose first issue has been held up by the pressmen's strike and is consequently neither here nor now.

This business of having two flags, a Dominion and a provincial one, raises its problems. We are writing the Provincial Secretary of Quebec to ask whether it will be all right, next time we are in his province, to fly the Quebec flag with the Red Ensign over it?

•

All Canada has to do is announce a Prices Probe, without even starting its sessions, and prices immediately go down all over the world.

•

Twenty years from now the wedding notice columns will be crammed with young women bearing the front name of Barbara.

•

New Canadian Boat Song

Faintly as tolls the evening bell
Our voices keep tune and we row like
mad;
Soon as the woods are dark as jam
We'll sing with abandon and won't
give a hoot.
Row, brothers, row, the stream's not
level;
The rapids are near, so row like the
dickens.

—J. E. P.

•

Teeth can now be translated from one human mouth to another. With a little care and attention they can even be made to ache in the new mouth.

•

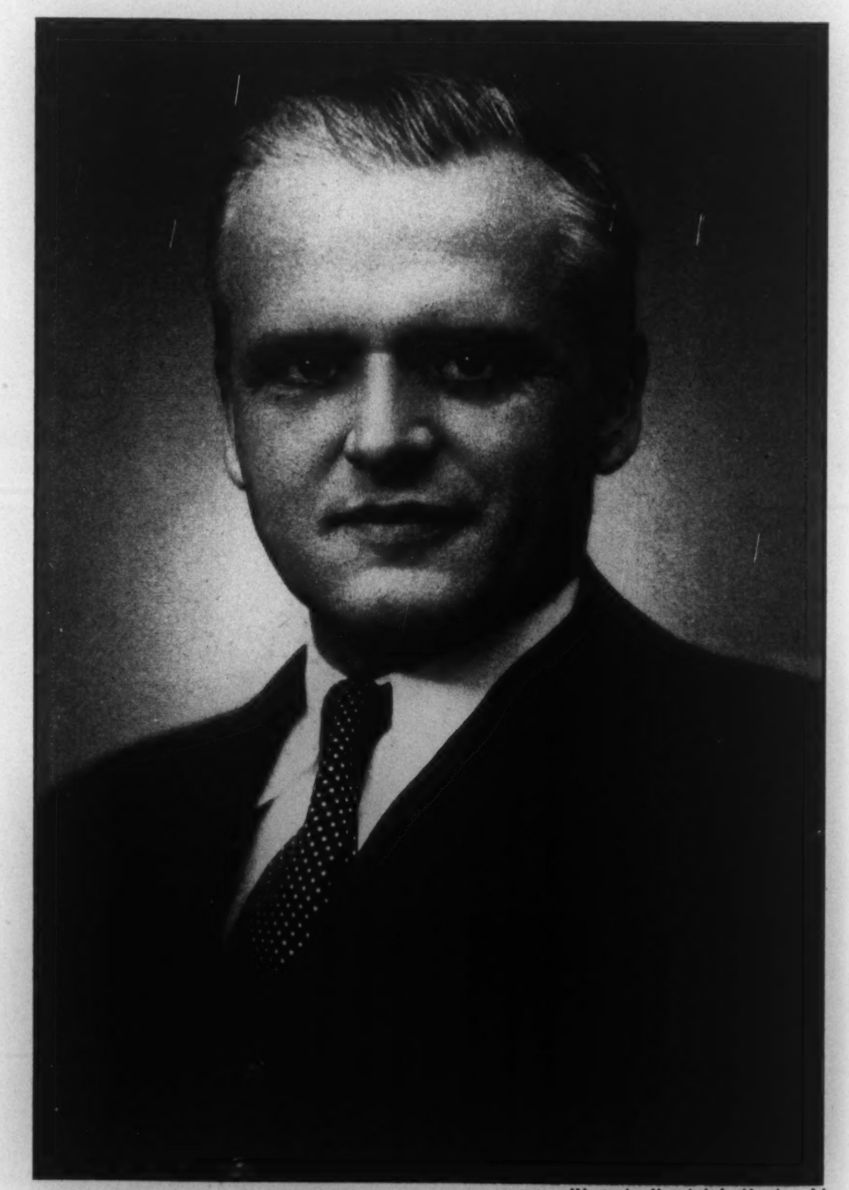
"France at the Crossroads" was the heading in many papers last week. Aren't the crossroads getting a bit crowded?

•

There is said to be less spending for pleasure this year. Too many people have found what a little pleasure they get for a lot of money.

•

Lucy says she thinks she will vote for the C.C.F. because the Communists are going to vote for the C.C.F. in order to persuade other people not to vote for the C.C.F.



—Photo by Randolph Macdonald

A handicap has been defined as "an extra burden placed on a superior contender to equalize the contest." This is illustrated in the career of LT.-COL. E. A. BAKER, O.B.E., M.C., Croix de Guerre, LL.D. Blinded in the First Great War, Col. Baker was a founder of the Canadian National Institute for the Blind and, since 1931, has been its Managing Director, guiding the policies of its six divisions in Canada and Newfoundland. He also plays a leading part in the National Council of Veterans and other groups. The joint effort of the Canadian Council of the Blind and the C.N.I.B. to make every member of the public aware of the significance of the blind's white canes stresses the important contribution which sightless people like Col. Baker can and are making to our national life.

The Front Page

(Continued from Page One)

as a penance for guessing wrong about the time at which it was safe to get rid of controls. In any case, it makes the chance of an election this year very remote indeed.

This fits in with the decision to hold a Liberal party convention this summer. It would certainly be desirable from the Liberal point of view that the new leader should have time to show his capacities in the House of Commons, and to extend his acquaintance among the electorate, before he has to fight a campaign.

Our Republicans

MR. PAT CONROY, secretary-treasurer of the Canadian Congress of Labor, has been moved by the recent outpourings of the Duke of Windsor to unburden himself on the subject of Royalty in a letter to the Ottawa *Journal*. He thinks that "As to whether Royalty as an institution should be exhibited for public scanning, one's judgment will largely depend on one's social position and how many daughters one is grooming for the 'prom'. It is a fairly good guess that the average taxpayer would like to have a look at what he is paying for—if not in taxes, then in proper humility. Let us have a squint at the thing that governs us and keeps our knee half bent."

Mr. Conroy goes on to speak of "the recent wedding in London, which compelled (sic) people, who have not had a decent meal in seven years, to sit out all night in a drizzling rain to watch the proceedings", and to inform us that "new Royalty is on the way" in the persons of Comrade Stalin of Russia and Brother Joseph Broz of Yugoslavia.

GANDHI'S DEATH

UNDER the scuffed brown sleeves of treachery
Our laughter and violence cupped hands to hide
Their glittering hatred from the enemy.

Peace, so brittle, so easily blown aside—
Thin-shanked, rotted with fasting and with years,
A fragile gesture in glass against the void;

So simple in its fall: the groans and prayers
Shivering, spent in the dust. Only the sweep
Of crow's wing echoes buffeting our ears;

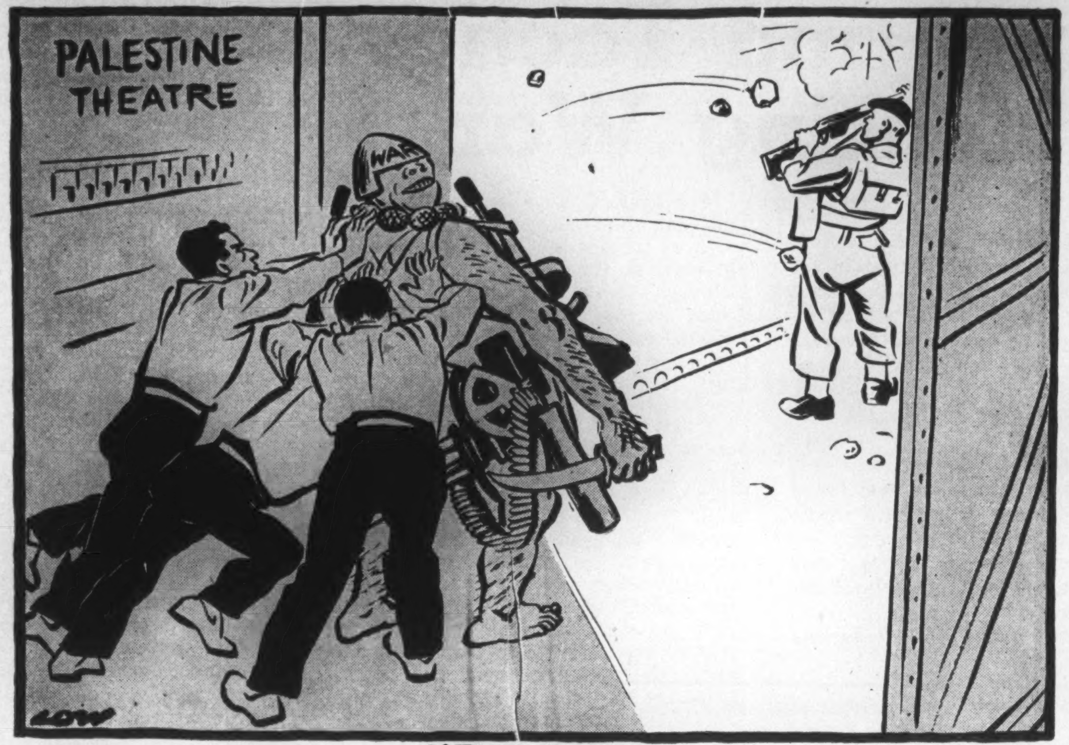
Then the drum, coming closer. Shall we weep
For a fool in a loincloth, a mess of shrunken skin?
—Better, for what is lost within his sleep,

And might have been our shield and grapnel when
Morning swings in the trees its gusty club
And the yellow eddy of daylight draws us in.

Silence, torn from the misty, plunging hub—
For him the myth of silence will hold fast;
Above him the safe white hands of peace be crossed
While we beg bread and rifles with the mob.

F. WEBB

We think we are entitled to assume from these observations that Mr. Conroy's opinion of Royalty is not very high, and that he would be quite willing to see it abolished in Canada as it has been abolished (except for purposes of international intercourse) in Mr. de Valera's Ireland. Whether this is the official policy of Mr. Conroy's Congress is another question. But we feel that Mr. Conroy should be told that the grounds on which he bases his objections to Royalty are quite erroneous. Canadians not only pay nothing for that institution "in taxes", as Mr. Conroy admits, but they need pay nothing for it "in humility". Speaking for ourselves, and we fancy we represent a substantial majority of the Canadian people, including many members of Mr. Conroy's unions, we have never felt any more "humility" in the presence of Royalty or its representatives than in that of Mr. King or Mr. Drew or Mr. T. C. Douglas—who really do govern us—or of Mr. Conroy's president, Mr. Mosher, or of his opposite number, the president of the Canadian Manufacturers' Association. Or rather, whatever humility we do feel in the presence of any of these persons is due, not to their office, but to our belief that they are persons carrying great responsibilities and performing their duties with an unselfish regard for the common good. In that respect we rank the present Royal family quite as high as any of the other personages we have mentioned.



NEXT TURN

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Mr. Conroy's remark about "keeping our knee half bent" is presumably a sarcastic allusion to a form of salutation prescribed by etiquette, which is possibly as old-fashioned, but surely as harmless, as the gesture of offering a seat to a lady in a streetcar. The Royal family are a symbol, a personification, of the nation in its political capacity as a self-governing state. There does not seem to be anything more derogatory in the act of courtesying to such a symbol than in the gesture—quite acceptable to republicans—of standing for the national anthem. There is, according to our experience, a certain amount of etiquette in approaching even the President of the United States; there may for aught we know to the contrary be some in approaching the President of Ireland—who is of course not Mr. de Valera but a much more exalted personage.

Help the Children

NO MORE compelling appeal has been made to the Canadian people since the war came to an end than that of the Canadian Appeal for Children, which opened this week, and which includes provision for the spiritual and intellectual as well as the purely physical needs of children in all the war-torn countries. No appeal, moreover, has received more generous support and cooperation from organized labor, which as in the United States is asking its members to contribute one day's pay. To people whose incomes are not measured in that manner we suggest that they divide their last year's income (which they should now be busily computing for the satisfaction of Mr. Abbott) by 300, and regard the result as a minimum which they ought in most cases to exceed somewhat largely.

The distribution of this fund is entirely in the hands of Canadians, and will extend only to countries where the authorities will permit Canadian representatives to see that it fulfils the purposes for which it was subscribed. The amount asked for, ten million dollars, is minimal in relation to Canada's capacity and the children's needs. We can think of no manner in which ten million dollars, or a much larger sum, could be invested with greater assurance that it will redound to the immense betterment of the world in the coming decades.

"Doth Never Prosper"

THERE is reporting and there is reporting. There is reporting for tomorrow's newspaper, which is the ordinary kind, and there is reporting for next year's book, which is obviously quite different. The common element of both kinds is that the reporter is reporting that which he (or she) has seen and heard; transmission through another mind is barred; one does not report a Privy Council discussion, one only reports what one has heard about it.

Rebecca West's "The Meaning of Treason" (Macmillan, $4) is pure reporting, but it is not reporting for tomorrow's paper. It is her account, written with an art which necessarily took months to develop, of the trials of Joyce, Amery, Alan Nunn May and some much smaller fry. She was present at the trials, she knew all that was brought out in evidence, and she knew also much that was not brought out. Being a very accomplished novelist, she is able to tell much more than the stenographers could set down.

We live in an age when treason has become important. It is an age in which loyalties are being widely questioned, and treason is simply a breach of loyalty. There are a lot of people today who dislike to see treason punished; such people cried out that Joyce, the Lord Haw-Haw of their radios, should not be hanged; they wanted, says Miss West, "to be assured that life was moral nonsense"; they still want to be assured that life is moral nonsense, because they dare not face death if it isn't. Some of them have adopted a formal philosophy which proclaims in set terms that life is moral nonsense and nothing about it makes sense except economics. Others have merely revolted against the philosophies of their ancestors without substituting any new one.

Anybody who reads this book with response and sympathy will have to ask himself whether he has ever behaved as if life were moral nonsense, and what he has done to prevent the spread of that frightful heresy. And unless his answer is pretty satisfactory he will have to ask himself also how much of himself might rightly have been in the dock with Joyce and Amery, might rightly have walked with them to the scaffolds on which they were rightly hanged.

Africa on the Move

AFRICA used to be called the Dark Continent, a vast unexplored and unexploited area full of lions and giraffes and Zulus, with a covering of tropical jungle and a sub-structure of gold inlaid with diamonds. Apart from the northern fringe, particularly around the Mediterranean, it was uncivilized except where, in the final rush for colonies in the latter part of the nineteenth century, England, France, Belgium, Germany and other countries had raised their flags and staked out claims.

All that has changed. Africa has become a land of great military and economic importance. With Palestine, Egypt and the rest of the Mediterranean in a very unsettled state, British bases are being removed to the east coast of the continent. British capital is being poured into various areas, and especially into one fabulous development of ground nuts (a type of peanut very rich in oil), as part of Britain's effort to revive her fortunes lost during the war.

South Africa, stretched across the bottom of the continent and temperate enough in climate for "white" civilization, naturally holds a strategic place in regard to the new development. Its growth and prosperity are indicated by the fact that it is nowadays the fourth-best market for Canadian manufactures; only the United States, United Kingdom, and France buy more from us. A successful trade mission from Canada visited there last year. Recent reports from Ottawa said that we had made firm arrangements to be paid for our trade balance in gold; previously South Africa, as a member of the "sterling bloc," might have paid in sterling.

In view of all these developments we think that our readers will find special interest in our series of three articles by Mr. Rodney Y. Grey which start this week on page 30.

"The Greatest Threat"

THE greatest threat to our trade agreement with the United States, which last month reduced U.S. tariffs on many products of Canadian farms, forests and fisheries by one-third to one-half, does not lie in the United States; we even hear that Senator Taft, who is regarded as one of the least liberal of the presidential possibilities, actually favors freer trade with this country. The greatest threat lies in our own cabinet in Ottawa in the person of Mr. Gardiner, Minister of Agriculture.

Mr. Gardiner is insisting that we keep all our remaining restrictions on export of farm products to the United States. He insists on sending all our "agricultural surplus" to Great Britain on "contracts" even though the British made it quite clear in Ottawa last December that they could not afford to buy the whole of that surplus either now or in the future.

Organized agriculture seems very ready to take a rather short-sighted view of its own interests, now and in the past, at home and abroad. We were very interested in the following extract from Mr. Cordell Hull's Memoirs which are now being published in a number of American newspapers:

"The greatest threat to the trade agreements program (in 1934) came not from foreign countries, not from the Republicans, not from certain manufacturers and growers, but from within the Roosevelt Administration itself in the person of George N. Peek, former chief of the Agricultural Adjustment Administration. . . He turned to the negotiation of barter agreements, precisely the type of practice then going on in Europe which we hoped eventually to eliminate through the trade agreements based on the equality of treatment principle. . . He wholly failed to see that such barter agreements and the trade agreements could not exist at the same time."

The Rush for Degrees

WHETHER it is desirable that as many as 17,000 students should be undergoing the educational process simultaneously at a single university in the Dominion of Canada is not the question raised by President Smith's annual report to the Toronto governors. The question is whether 17,000 persons should be educated at once by an organization which can only give a first-class education to 10,000. The objection is the quality of the education. It has had to be watered down during the years of the D.V.A. grants, and the watering down was less serious because the grantees were definitely more educable, owing to their wartime experiences, than the ordinary undergraduate. We are now back to peace conditions, and the watering down ought to stop.

It is also extremely necessary to inquire how many educated persons the Canadian community can maintain in "educated" occupations on its present population, especially if its manual workers are going to reduce their input of work by ten or twenty per cent by cutting down their hours. There is already a heavy export of such persons to the United States, which is much wealthier if not much more industrious. Producing bachelors of arts and science is an expensive business, and it does not seem good policy to produce them merely to send them abroad; it would be wiser to produce fewer but better bachelors and keep them at home.

PERSONAL MATTER

"THERE'S always somebody, clever or dumb body,
Whose life is tougher than mine,"
Said the Old Philosopher, over his toddy
Of shaving-lotion and wine.
"I feel for that fellow, I really do.
His troubles I don't forget,
But if I have a hole in my shoe
It isn't *his* foot that gets wet."

"Inflation bothers the world-and-all;
The Banker's hair has turned grey.
The Purchasing Agents faintly call
As the wild wind sweeps them away.
I grieve for them in their sorry case,
But roundly I must assert
That when I'm kicked out of Jerry's place
It isn't *their* bones that hurt."

—J. E. M.

Better Strategy and Tactics to Win the Housing War

By BENJAMIN HIGGINS

The people of Canada have never been well housed, and the present housing shortage has reached an intensity that is unprecedented in the Dominion's history. In this, the first of two articles, Professor Benjamin Higgins, Department of Economics, McGill University, examines the extent to which the crisis has grown. The writer is a member of the subcommittee on Housing and Planning in the Advisory Committee on Reconstruction. During the war he was Chief of the Housing Unit for the U.S. War Production Board and special assistant to the administrator of the U.S. Housing Authority.

He discusses factors contributing generally to high housing costs and the special factors in the current situation. For instance, the new housing being provided in Canada today is almost entirely in the $60 a month bracket and is within the means of only the top 5 to 10 per cent.

Despite a fairly high level of housing construction in the last two years, Canada still fell short of current requirements by several thousand units, let alone any catching up on the tremendous back-log.

In his second article Professor Higgins will analyze some solutions to the housing problem.

BAD housing began with Eve's misbehavior and Adam's moral weakness. Ever since the human race was cast out of the Garden of Eden into a hostile physical environment, the struggle to wrest from nature a standard of living satisfactory to all men has been relentlessly pursued. Great progress has been made. Yet even in the richest countries, the bulk of the people still face the basic problems of a fundamentally low standard of living.

We simply do not have the resources, the labor skills and the technical knowledge to produce all that everyone wants of everything. Even if everything possible were done to make better use of our building capacity, solving the housing problem by a concentrated national effort would require the sacrifice of other goods and services that people want, just as Canada's war effort required the sacrifice of certain peacetime comforts.

In 1946, a year of full employment, our average income per family was not much above $125 per month. One-third of Canadian families had incomes below $100 per month, two-thirds had incomes below $150 per month. Even if we doubled our productive capacity by squeezing out present misuses of resources, and even if we distributed national income equally among Canadian families, we would still fall far short of satisfying everyone's wants.

Then, why consider housing a special problem at all? Why not direct national policy towards raising national income, particularly the incomes of the lower income groups, rather than planning a frontal attack on the housing problem as such? The answer is that our economy has failed more completely and more miserably in the housing field than in any other area vital to a minimum standard of living. Not more than one-third of the Canadian people can be considered badly fed or badly clothed, but at least two-thirds of Canadians are badly housed.

One-Fifth of Income

Budget studies indicate that families in the middle and low income groups cannot pay more than one-fifth of their monthly incomes for housing without depriving themselves of other basic necessities. Not more than one-third of Canadian families can afford to pay over $35 a month for housing. Yet the new housing being provided is almost entirely in the $60 a month bracket and upwards. Such housing is within the means of only the top 5 to 10 per cent of Canadian families.

Even in the years 1938 to 1946 when construction costs were less than two-thirds their present level, only 20 per cent of the houses built with National Housing Agency assistance were sold for less than $3,000. At that time, Canadian incomes were considerably lower than in 1946. The N. H. A. program, undertaken by the government to assist *low* income groups, was really helping those families who were in the top 15 per cent of the income scale. More recently, Housing Enterprises Ltd. was compelled to abandon its "low-rental" housing program because it was unable to provide housing profitably for $80 a month, a figure that put their housing within the means of only the top 5 per cent of the income scale.

But, some people ask, why can't families in the low income groups move into houses vacated by high income families as new houses are built?

The answer is obvious. There are not enough people buying new houses to meet the needs of the lower income groups, in terms of number alone, through release of old houses. Houses built originally for the rich do not become suitable for the poor through the mere process of wearing out. They are not appropriately located with respect to places of work, shopping, recreation, and schooling of working class families. They are not of the right size or design. They are often in districts where taxes are so high that large houses must be chopped up into miserable and inconvenient apartments for multiple occupancy, if conversion is to be profitable. Because of high costs of maintenance and low tenant incomes, the properties are allowed to run down. In short, the "seeping-down" process is precisely the way in which our present slums and blighted areas developed. If workers and farmers are to be provided with decent homes, houses must be built for the purpose.

Why has private enterprise been so unable to provide good houses at low costs?

Centuries-Old Methods

One reason is the absence in the housing field of the dramatic technological progress that has characterized other industries over the past two centuries. The methods of constructing houses are much the same today as they were hundreds of years ago. Nor is there any innovation on the horizon that seems likely to alter these techniques drastically within the very near future. Prefabrication, modular design, new materials and new methods of on-site fabrication hold some hope of reduction in cost. But so far none of these devices gives certain promise of significant reduction in costs in the next few years. The acuteness of the housing problem has aroused unprecedented interest of architects and engineers in problems of low-cost housing, and sooner or later some revolutionary new technique may appear. Until it does, however, some other approach to the housing problem must be sought.

A second factor in high housing costs is the monopoly restriction that riddles the housing industry from cellar to attic. Bricks, cement, plumbing, and lumber all produced under varying degrees of monopoly

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control. The speculative builder is often more interested in cheap but flashy trimming that will make the house readily saleable than he is in providing good, durable housing at low cost. The real estate developer contributes to the high cost of housing by bringing about increases in land values, through his pernicious system of developing new subdivisions for the speculative gains entailed. While less serious in this country than in the United States, restrictive labor codes, enforced by trade unions fearful of technical displacement and unemployment resulting from a collapse of the housing boom, contributes to high housing costs without raising the workers' incomes in the long run. Even the architect, with his predilection for building millionaires' mansions on which he can collect a high fee, has shown little interest in finding ways of making his services available for the design of good low-cost housing.

Luxury of Detachment

Another factor that makes housing costs unnecessarily high is the rigidity of public taste. Some of the newer techniques involve methods of construction that seem "queer" because they produce houses that look "different." Of particular importance in this connection is the popular insistence on detached houses, which are much more expensive than row houses, particularly in terms of materials and public utilities. Detached houses greatly aggravate the problem of providing efficient use of land and achieving an attractive design at low cost. A detached house with plenty of space for play, gardens, and so forth, surrounding it, and with an attractive design, is a luxury that few urban dwellers can afford. And what can be more squalid than a street of small single houses, separated only by a few feet of useless space, with individual gardens hardly big enough for a cat to play in, and distinguished from each other only by slight variations in the external gingerbread? Well planned multiple housing projects can provide community facilities, open space useful for recreation, attractive design both of individual units and of the development as a whole, without sacrificing light, air or privacy.

The disturbingly high ratio of housing costs to income is not a new phenomenon. Canadians as a people have never been well housed. Nevertheless, the present housing shortage has reached an intensity that is unprecedented in Canadian history. What are the *special* factors in the current housing crisis, over and above the factors contributing to generally high housing costs?

First among such special factors is the Great Depression. The annual construction of houses in urban areas fell from an average of about 44,000 between 1925 and 1929 to an average of below 20,000 between 1932 and 1936. Meanwhile, family formation continued at the rate of about 30,000 a year, and about 25,000 houses a year became obsolete. Thus during the Great Depression, the rate of housing construction fell far behind current housing needs, and a serious housing shortage existed when war began.

Aggravated by War

The second factor in the housing shortage is the war. Not that fewer houses were built during the war than in peacetime; on the contrary, the average annual construction of houses during the war was probably some 20 per cent higher than the average during the immediate prewar years. However, the war brought greatly increased incomes, and consequently increased demand for housing. Young married couples who had been compelled to live with their parents during the depression could afford houses of their own. Other families sought larger and better accommodations. A general process of "undoubling" took place, vacancies rapidly disappeared, and pressure on the housing supply developed. Also, the war resulted in large-scale internal migration, particularly from rural areas to war industry centers. When people move from country to town, they do not take their houses with them; thus population shifts result in a decline in the *effective* housing supply.

Postwar prosperity has contributed to the housing shortage in a similar manner. In 1946, some 67,000 housing units were built in urban and rural Canada, far more than in any previous year. The production of construction materials and the number of workers in the construction industry were both at unprecedented levels. But incomes remained high, the rate of net family formation increased to over 40,000 per year, and the rate of obsolescence rose to about 30,000 per year. We would have needed some 70,000 new family units in 1946, just to prevent housing conditions from getting worse. Moreover, there was a substantial "leakage" of new housing into summer or winter resort houses for families who already had homes. So, despite the great expansion in the housing industry in 1946, we fell short of current increases in requirements by several thousand units.

Another factor aggravating the current housing situation is anachronistic zoning restrictions, which prevent certain types of residential construction from being undertaken in precisely the areas where they are most needed. Similarly, failure to adjust assessments and tax rate to changing conditions has resulted in ineffective use of existing properties.

Finally, construction costs have increased between 60 and 75 per cent since 1939, as compared to a rise in the general price level of some 40 per cent. The cost of housing has, therefore, risen slightly more than the cost of other major items in the consumer budget. On the other hand, personal incomes of the population as a whole have more than doubled. The ratio of housing costs to incomes is probably lower now than before the war. Thus the rise in costs makes the problem more difficult than it would be if pre-war costs still prevailed, but is not among the major factors that make the present situation so acute.

In my second article I shall discuss some solutions to the housing problem.

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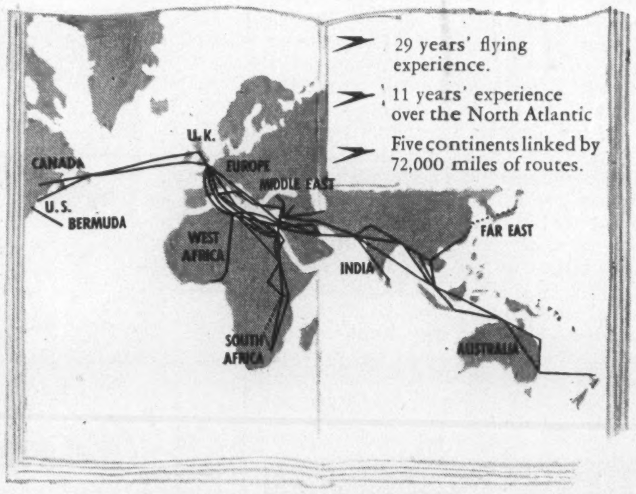
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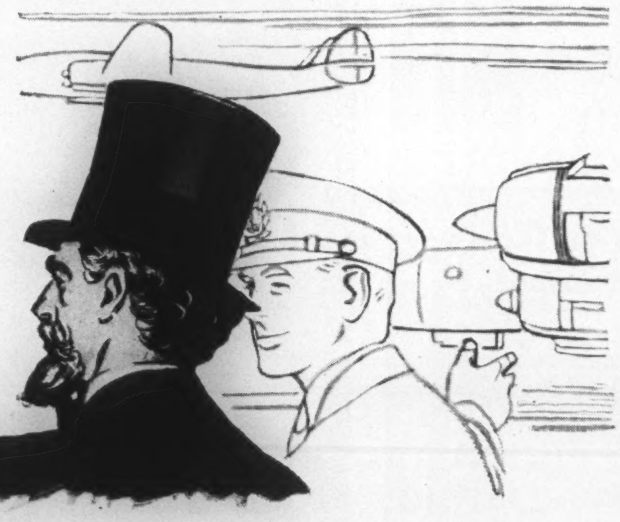

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WASHINGTON LETTER

Democrats' Civil Liberties Split May Cost Them the Election

By JAY MILLER

Washington.

SOUTHERN revolt over President Truman's advocacy of prompt passage of civil liberties legislation has split the Democratic Party three ways.

The first break occurred when Henry Wallace carved off a "left wing" to form his Third Party, and although the Southerners are unlikely to break completely with the parent party, they can create enough cleavage to prevent a Democratic victory at the polls next November.

Republicans are capitalizing on this Southern split. Senate Labor Committee, headed by G.O.P. presidential aspirant, Senator Robert A. Taft, lost no time in approving legislation to set up a commission against job discrimination on grounds of race, color or creed. This is one of the laws asked by Mr. Truman in his civil rights message to Congress which created so much resentment among Southern Democrats.

The Southern bloc long resented Roosevelt policies on civil liberties, and this resentment was fanned anew on February 2, when Mr. Truman recommended legislation against lynching, poll tax requirements for voting, job discrimination and segregation in transportation.

There is Southern sentiment for a break with the Democratic Party, but the South's more practical politicians would not permit a move that would virtually guarantee election of a Republican president. Even big, baby-kissing Governor James E. Folsom of Alabama, a candidate for the Democratic presidential nomination, is opposed to an actual split with the parent body. Political history records that when the South ran a rump Democratic ticket in 1860 after refusing to accept the regular Democratic nominee, Stephen A. Douglas, this assured a Republican victory with the election of Abraham Lincoln.

Basis for Bargaining

However, the Southerners have a definite objective in taking their present stand. What they would like to do is to use electoral votes won by a separate Southern candidate as a basis for bargaining on these legislative proposals which the South opposes. It is reasoned that if they win out in bargaining for the kind of legislation they want, the separate Southern electors could then vote to elect Truman.

Much steam was blown off during the conference of Southern Governors last week at Wakulla Springs, Florida.

Said Senator Eastland of Mississippi: "The South will have to protect itself in the electoral college."

Said Senator Overton of Louisiana, in a letter to a constituent: "We can organize a Southern Democratic Party of our own and vote for its electors."

This latter proposal took more concrete form in the announcement of Governor Fielding L. Wright of Mississippi that an all-Southern convention be held March 1 to select a presidential nominee. He was reported to be ready to ask the Mississippi Legislature for $100,000 to finance such a convention.

An actual break with the national party is doubtful because it would mean that the Southern bloc would be cut off from national funds and it might debar the Southern group from participation in national party activities for years to come. Whatever the outcome, the schism can be dangerously detrimental to President Truman's chances of re-election. This is a potentiality that is causing his party chief, Senator J. Howard McGrath considerable concern. It is the cause of considerable elation in Republican ranks.

Secession Talk?

The G.O.P. believes that there is a chance the Southern split can be perpetuated through the November election, and in such proportions as to swing the election. Congressional Republicans quip that the Deep South seems ready to secede again, and on similar issues to the original differences, States' rights and the status of the Negro. They can afford to be amused because "secession" talk, such as it is, is confined to the Democratic Party.

Republicans charge that it is Harry Truman's own fault that he is once again in hot water with the South. They recall that the President was responsible for the Wallace split because he booted the Iowan out of his cabinet over a difference on foreign policy. They also point out that it was the Truman shift to the left on domestic policy in his advocacy of the 10-point civil rights program that has caused the current flare-up from the Southern States. The Fair Employment Practices, anti-Jim Crow, anti-poll tax anti-lynching legislation always bring Deep South Democrats to a fast boiling point and Republicans are taking no steps to let their temperature cool.

What has added to Southern Democratic discomfiture is that in response to the President's appeal for early passage of his legislative proposals, there are enough Republican votes, with Democratic aid, to ensure enactment of the bills in Congress if nothing intervenes. And at the other end of Pennsylvania Avenue, the President in his White House office, is waiting to sign the bills.

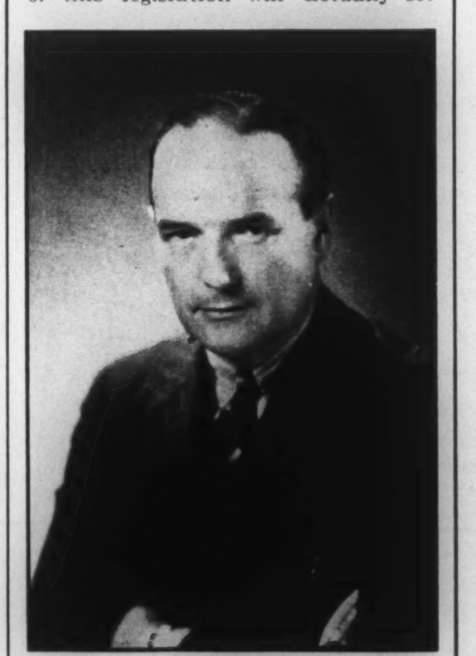
Democrats from the Deep South are not pleased by the fact that Republican-controlled committees are moving deliberately to "report out" the legislative program without delay. These bills are all good vote-getters.

It will be interesting to follow the fate of these bills. It is undeniable that there are good moral and ethical reasons why they should be enacted. On the other hand, Congressmen from the Deep South argue that passage of this legislation will actually set back for many generations, in fact as well as in name, the eventual emancipation of the nation's largest minority group.

There is no doubt that Southern legislators will fight to prevent passage of these bills. The filibuster may be brought into use, with its customary stultifying effect on any Congressional action.

With the national organization properly chastised, it is contended that the Democrats could all work together for a party victory in 1952, with Southern Democrats, of course, safely ensconced in controlling posts. That is probably merely a Southern dream of things unlikely to come.

Harry Truman has a practical problem of welding together the three divided elements of his party. The Republican Party's best hope of winning the Presidential election is to keep the opposition divided. This situation promises some interesting campaign developments.



Gordon R. McGregor, O.B.E., D.F.C., has been appointed president of Trans-Canada Air Lines. Mr. McGregor joined T.C.A. in 1945 as general traffic manager after distinguished service with the R.C.A.F. His wartime experience (he was one of "The Few" during the Battle of Britain) has enabled him to make valuable contributions to the study of air traffic problems. He is 46.

All expected vacancies in the Senior School for September 1948 have been taken for some weeks. There are still some places in the Junior School.

Applicants for entry to the Senior School are being placed on a waiting list and will be given places as they occur.

Entries for September 1949 are now being received in some numbers.

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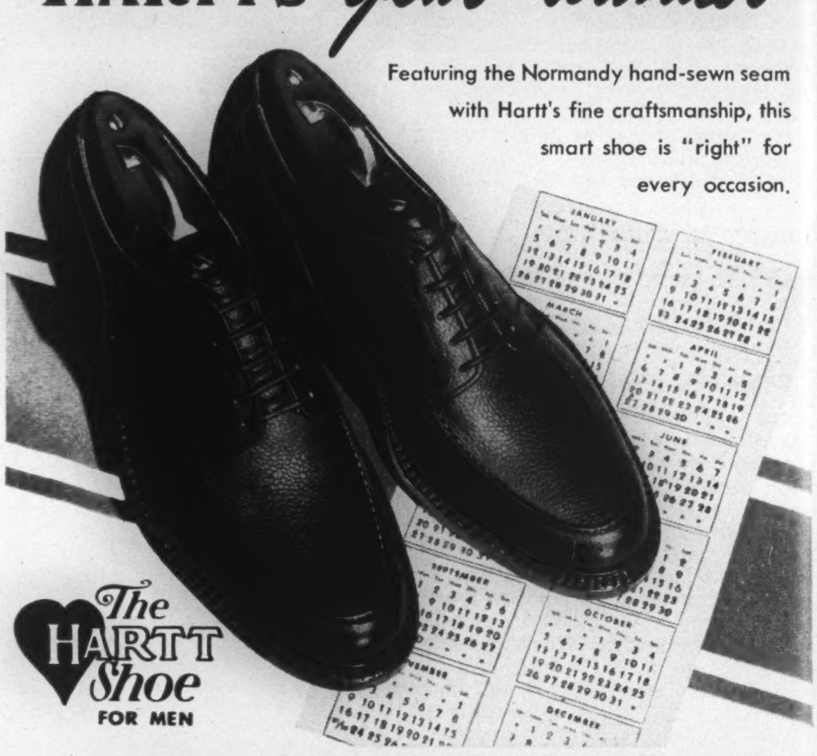

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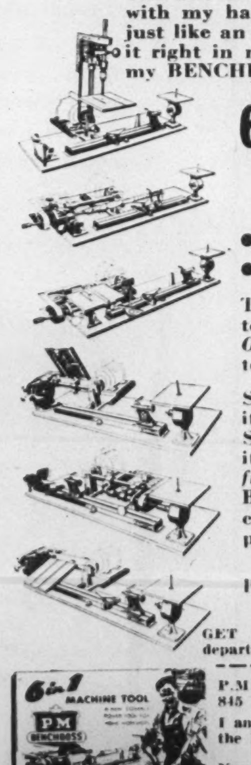

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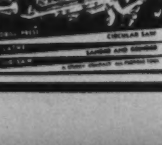

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OTTAWA LETTER

Inflation Causes Beyond Canada, Prices Inquiry Idea Is Futile

By WILFRID EGGLESTON

Ottawa.

THE Commons debate on the proposal to set up a parliamentary committee of sixteen members to inquire into the "recent rise in the cost of living" left behind it a strong taste of futility and frustration. In a parliamentary democracy, perhaps no full-dress debates lasting a week are ever wholly wasted; a little light is shed on the situation; members are able to let off steam; something of the plight of the common man and the farmer on the back concessions is apt to penetrate into the cloisters of Parliament Hill. But one had to be in more than normally charitable mood to find much of a constructive nature in last week's wordy and sometimes bad-tempered performance.

The government's justification for the committee was weak, and the opposition, while frequently off the mark entirely, made a lot of noise and occasionally got in a shrewd thrust. John Bracken delivered what I thought was his most effective parliamentary attack in years.

The C.C.F. group was full of real and well-simulated indignation. In a radio address on Thursday night Mr. Coldwell said: "During the last few days, I have listened to a debate in parliament that has made us as angry and as indignant as anything I have heard during my dozen years in the House of Commons." The Prime Minister on the same day, either lost his temper or gave a most convincing imitation of a man losing his temper. He had asked the House for unanimous consent in giving the prices committee debate precedence over everything else, at the express desire of the Progressive-Conservatives, he said, now they were raising objections, and if that was the way things were going, "they have made the endeavor to meet that kind of request for the last time so far as I am concerned."

The proposal to set up a committee of inquiry has all the earmarks of a diversion—harmless, of course, and perhaps even with some constructive long-range features — to take the minds of the parliamentarians and the people off the growing squeeze on the budgets of all fixed-income classes, in the hope and belief that international relief is on the way. Frankly it seems to me a political stall rather than a measure calculated to alter the price situation noticeably: and it may be a shrewdly-timed stall, at that. Just as the inflationary troubles of the present administration invaded Canada fortuitously and uncontrollably from the outside world, now—even in the past two or three days—there are indications that a substantial measure of relief may be coming in the same way. Nothing would ease the Canadian situation more quickly than a major price adjustment in the United States — always praying, of course, that it is not too drastic a one!

Going Up, Up, Up!

To see this Commons debate on a committee of inquiry in its true setting, one has to remember that the cost of living has been going up at the rate of 2 per cent a month, that it now stands at about 150, that food prices have almost doubled, and that over a large section of Canada and among many fixed-income brackets the situation has become well-nigh intolerable. Most of the inflationary pressure and the painful squeezes are due to factors not easily altered and, in the case of international factors, not susceptible to Canadian policy at all. Very little of the Canadian anguish is presumably due to hoarding or profiteering, although that little, in the past few weeks, may well have represented the straw that is breaking the camel's back. When in a situation of this kind the government offers the formation of a parliamentary committee of inquiry as one of its major contributions, no wonder parliamentary representatives see red.

Of course an inquiry is better than nothing. It will take weeks to make any kind of thorough diagnosis of the current situation, and the situation itself may change so rapidly that the committee's report may be obsolete before it is written. But the very existence of such a committee—the very announcement that it was to be set up—may well have frightened off some of the more timid actual and potential profiteers, and to that extent it may save its cost in time and energy thousands of times over. But no one supposes—certainly not the brighter members of the government—that such an inquiry is going to cause more than a ripple in the inflationary cycle.

The blunt fact is that the government is in much the same position as the physician of olden days with a patient on his hands suffering from pneumonia. It has not much choice other than to watch the disease run its course. Once it had elected to decontrol, and dismantled the ponderous machinery of regulation, it could not suddenly go into reverse when the course of decontrol appeared to be taking a more ominous and expensive turn than it expected. People who clamor for restoration of controls don't face up to the practical difficulties.

And as for the other proposed remedies, subsidies and a major cut in indirect taxation, they are largely delusionary, while the two or three drastic measures likely to succeed are political dynamite. Add these all up, and the government is substantially stymied. The parliamentary inquiry is a kind of desperate expedient, introduced in the hope that it will entertain Canadians a bit while real relief is on the way from the working-out of world economic forces.

The smooth transition from a controlled economy to the normal state of relatively free enterprise, which the cabinet had some reason to expect when they made the decisions to decontrol last year, has been confounded by several mishaps of an unforeseeable nature, communicated to the Canadian economy from the outside world.

Soaring in Sympathy

Much depended on the behavior of the price level in the United States. During the war we were fairly successful in insulating our price level away from the effects of theirs, but everyone knew that as both countries decontrolled, their price levels would tend to come together again. We rather fondly hoped that as our price level went up in response to our decontrol, theirs would be falling, and the two would meet at an index figure well below 145. Unhappily for these calculations, the U.S. price indexes kept on soaring, and ours have soared in sympathy.

Another unforeseen development with sad effects on our price structure was the disastrous crop weather in Europe last summer. In the face of the greatest cereal harvest in its history, the United States still saw grains rise to fantastic levels. On top of that, Eastern Canada suffered the worst spring weather for field crops in fifty years, with the consequence that feed grains were little better than a half-crop, adversely affecting our meat production. The European weather disaster invaded Britain, of course, and greatly accentuated the scarcity of food-stuffs, and the pull on the limited food supplies of Canada. Our own prairie wheat harvest suffered from drought. The inflation in food prices in Canada over the past year is almost entirely due, it is safe to say, to events which could not be controlled, and could hardly be foreseen. Most of these events occurred outside Canada.

The price of wheat has consistently set the pace for soaring food prices, including meats. A break at Chicago might well signal substantial relief in many other food lines. The connections between cereals and meat prices are obvious. The southern hemisphere has a good wheat prospect, Europe looks like raising a much greater percentage of its own food this summer, and the very serious drought threat to the winter wheat belt of the U.S. of last fall seems to have been largely lifted. The sum of these facts may spell early relief for the Canadian consumer, but the parliamentary inquiry will not be able to claim the credit.

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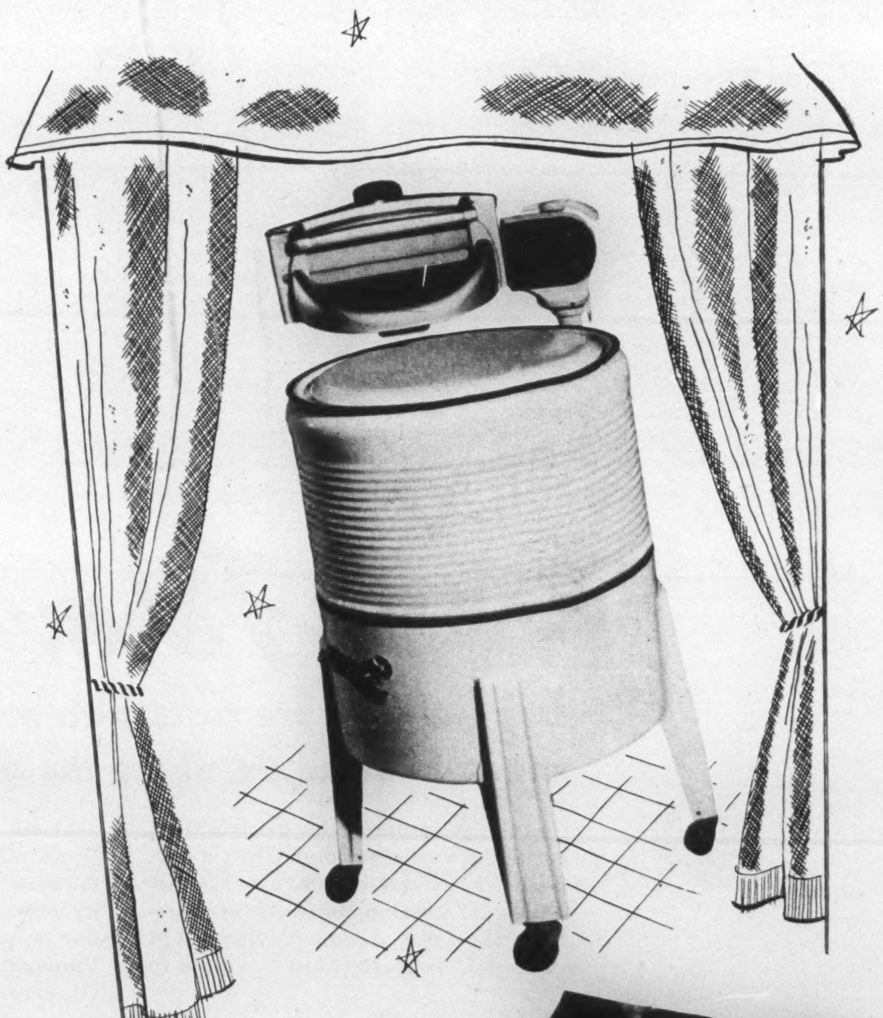
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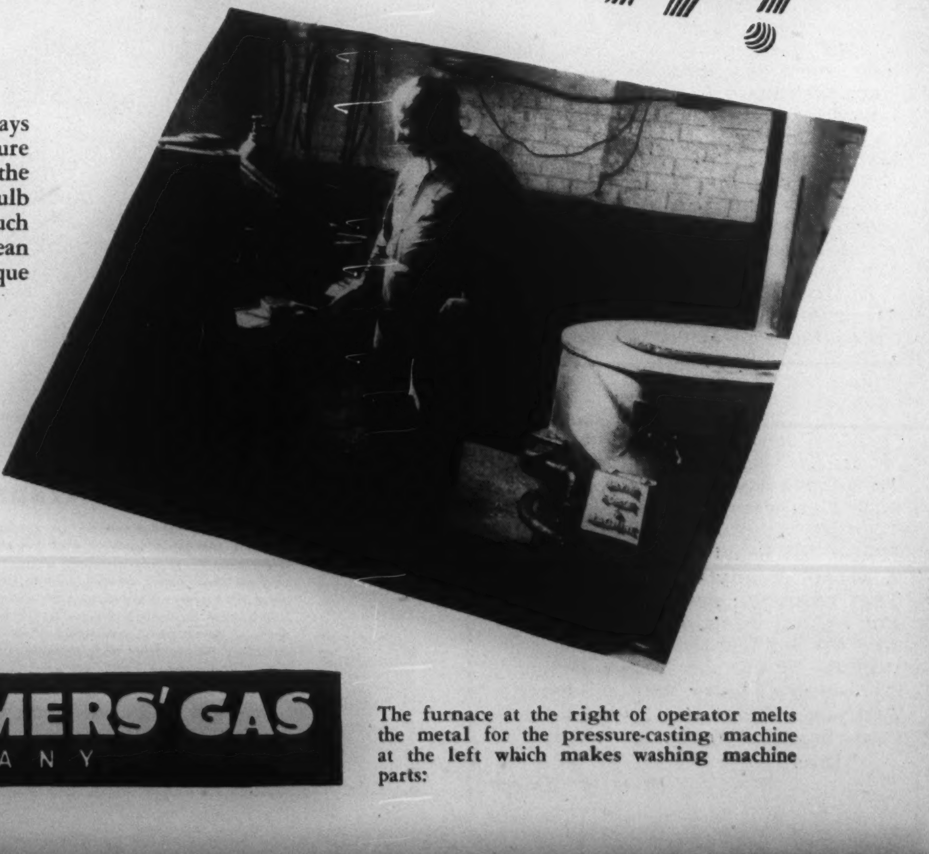

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THE LIGHTER SIDE

Visitors' Gallery S.R.O.

By MARY LOWREY ROSS

I FOUND my friend Miss A. sitting at her dinette table and deep as usual in what she describes as her paper work. "Here, you can amuse yourself with this," she said, handing me a clipping.

The clipping described the recent scene in the House of Representatives when the members added popular entertainment to the argument of the Margarine vs. Dairy Interests. "It's the sort of thing I've been advocating all along," Miss A. said, when I had finished. "When the House of Representatives want to show how difficult it is to mix margarine and artificial coloring, they have someone actually doing the mixing, in costume, right on the floor of the House. When it is necessary to speak up for the Dairy Interests, they appeal to the public's deep-seated sense of symbolism by bringing on a big *papier-maché* cow."

"The minute I read that," Miss A. went on, "I sat right down and sketched out a number of acts, novelties and reviews to enliven proceedings in our own House of Commons. Here, read this—"

She snatched back the clipping and placed a page of manuscript in my hand.

"Scene: the House of Commons at Ottawa (I read)

The Potlucks, a typical Canadian family of five is introduced. It consists of Mr. and Mrs. Potluck, Shirley (aged eleven), Myrna (aged nine) and Leroy (aged seven.) They are shown seated about a table, actually eating a Dr. Pett luncheon.

Myrna: I can't eat any more Mummy. I'm full right up to here.

Mrs. Potluck (laughing and shaking her head): Eyes bigger than your stomach I see.

Shirley: Will you please pass the butter?

Mrs. Potluck (pushing over the butter): Here, take all you like. We've got a pound and a quarter and only a week to use it up in.

Leroy: What are we having for dinner tonight Mum?

Mrs. Potluck (hesitating): Well, I was sort of planning to keep it as a surprise.

All the Potlucks: Oh please tell us Mummy, please, please, please!

Mrs. Potluck: Well, I suppose you might as well have the fun of anticipation. (beaming) We're having haddock and boiled tapioca!

Shirley, Myrna and Leroy: Oh hurrah, hurrah, hurrah, Oh yummy!

(Murmurs of 'M-m-m-m!' and 'Scrummy!' from the Liberal benches, mingled with cat-calls from the Opposition.)

Mr. Potluck (to his family): Listen, how can I concentrate on the super-nutritional values of my peas on toast with you kids yelling like a bunch of yahoos?

Mrs. Potluck. Now don't lose your temper dear. (brightly) You know how much less irritable we've been since we've had to cut out coffee.

Leroy: And afterwards can we go to the movies?

Mrs. Potluck: I'm afraid not, lover. But I've thought of something that will be even more fun. We'll all go down to the House of Commons and watch them putting on the Rope Trick!

At this the Potlucks get up and dance with delight till they are quite exhausted. The attendants come and wheel out the table. They also wheel out the Potlucks. A member of the C.C.F. rises and moves as an amendment to the Pett Diet that the Potlucks be restored with a decent meal in the Parliamentary Restaurant. The amendment is quashed on a precedent going back to 1887 when a Canadian family was able to survive the winter on an exclusive diet of coarse grain cereal."

"WELL, what do you think of it," Miss A. asked as I finished.

"Why I think it's fascinating," I said. "What about the Rope Trick? Have you worked that out too?"

Miss A. nodded. "The Rope Trick is intended to dramatize the new Prices Investigations Committee," she said. "The rope, just an ordinary piece of half-inch hemp, is brought on the floor of the House with the announcement that it is to be used to hang anyone found guilty of food-profiteering. The debate begins at once. The Progressive-Conservative and C.C.F. groups think the rope is too short to be effective. The Government thinks it's too long and wants to cut it down further. While this is being discussed the rope stands on end and this character begins to climb it—."

"Which character?" I asked.

"Why the Character representing the Fact-Finding Committee," Miss A. said. "He continues to climb while they go on talking and after a while he simply disappears into thin air. It's quite an old trick. The rope of course is returned to the Dramatic Properties Department."

"It might turn out to be a rather difficult trick," I said doubtfully.

"Well then we could use the Vanishing Dollar trick," Miss A. said. "Any competent parlor magician should be able to handle that one. The equipment is simply a wooden box and this is passed among the audience to show that there are no false bottoms, sliding panels or funny business of any sort. The performer then calls on someone in the audience to contribute a dollar. This is then placed in the box which is securely fastened. The performer next makes a few passes and opens the box. And what do you suppose the dollar has been changed into?"

"Goodness I wouldn't know," I said.

"Two pork chops!" Miss A. said triumphantly. "The contributor of the dollar is then rewarded by being given the pork chops instead of the original dollar. Well, what do you think?"

"It's wonderful!" I said, "and exactly what is needed. The political inertia of the Canadian people—."

"Oh I've got other ideas besides that," Miss A. went on. "For instance, why not a Quiz program along the lines of Double or Nothing? The Speaker could act as Master of Ceremonies and start with a simple $2.00 question that everybody in the House ought to know—something like 'What famous Canadian, grandfather of another famous Canadian led a political revolution in Canada in 1837?' Then from there on we go to increasingly difficult questions till we come to the $64 one—'Who got the profits when bacon jumped to 90 cents a pound?' Naturally nobody can answer that one so the $64 goes into the national surplus."

"I'VE GOT an even better $64 question," I said. "Who will be next Premier of Canada?"

"Oh I've already worked out a novelty act for that one," Miss A. said, "It's the game of Musical Chairs, with the contestants—say Mr. St. Laurent, Mr. Abbott, Mr. Martin and Mr. Ilsley—going round and round while Mr. King plays the piano—."

"Just a minute!" I said. "Supposing at the last minute Mr. King wanted to join the contestants."

"Oh I've thought of that too," Miss A. said. "What Mr. King is really performing is a piano monologue. You know — "If an emergency should arise and I felt it in the best interest of all concerned that I should participate in any unexpected issue I would not hesitate to throw myself into the breach—'. Something of the sort. I may not have the wording just right but that would be the general idea."

"Yes but—" I began.

"And then at the very last minute with only one chair left," Miss A. hurried on, "Mr. King jumps up and shouts, 'Hey, lookit at the big emergency'. Everyone turns to look, nobody notices the music has stopped and Mr. King—"

"Throws himself into the breach!" I cried.

"Exactly," said Miss A. She sat back and restored her glasses which she always removes in moments of excitement. "Well what do you think of it?" she asked after a moment.

"I think it's marvellous!" I said, "It's exactly what the public needs. It has drama, educational value, suspense, everything."

Miss A. nodded.

"As you say, the political inertia of the Canadian people is a fixed habit that can only be shaken by the modern progressive approach," she said.

I said after a moment, "Of course there's the other fixed habit of the Canadian people that you still have to reckon with."

"What's that?" Miss A. asked.

"Mr. Mackenzie King," I said.

WARNING

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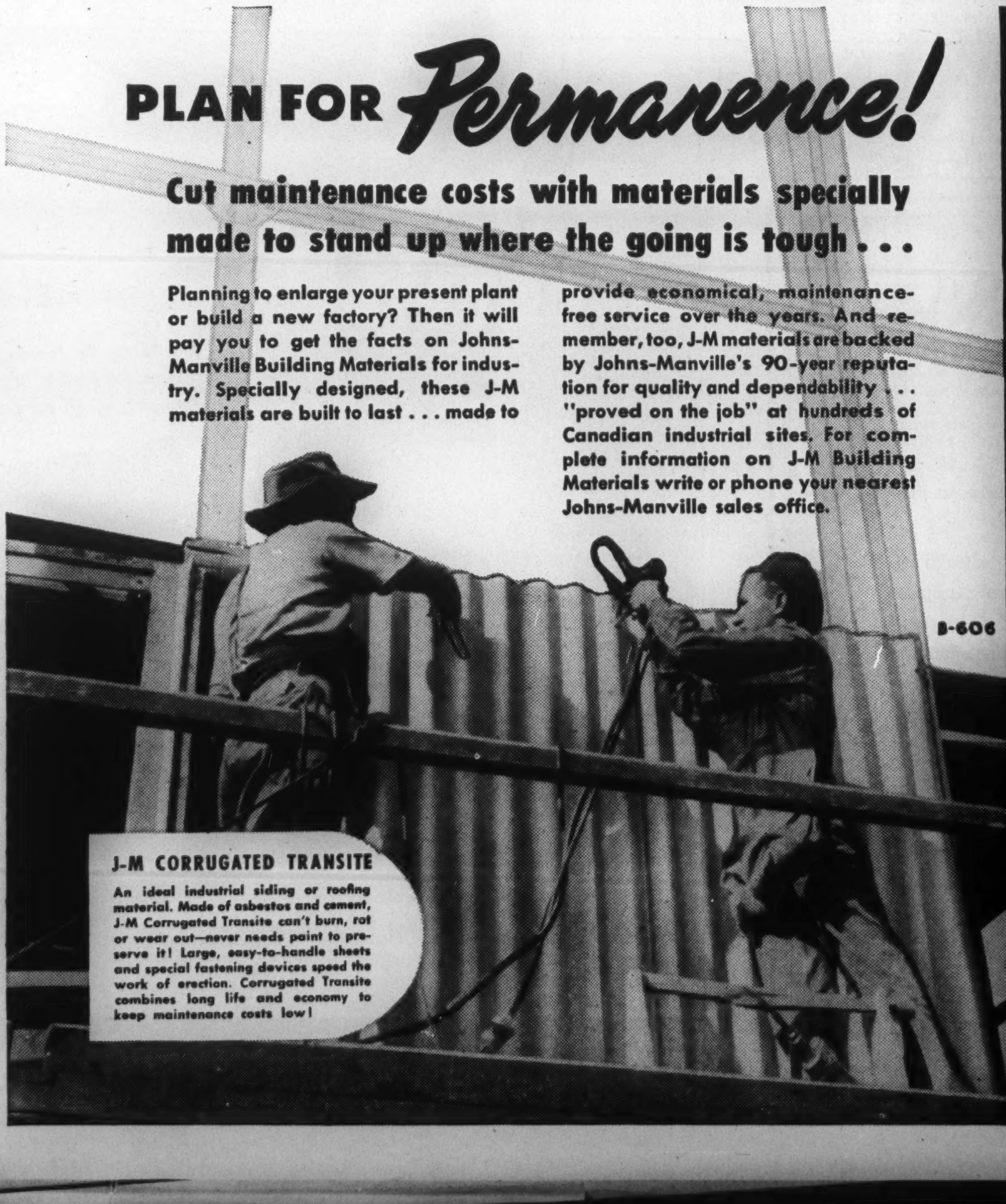

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Will Rhodesia Become Empire Supply Base?

By GEOFFREY JENKINS

With plans underway for a new port, a dam, a railway and new steel works, Southern Rhodesia will soon be big business industrially. In transforming her vast mineral and agricultural resources into wealth she will become a more valuable unit in the British Empire.

Recently the Southern Rhodesian Government floated a loan of 40 million dollars which was earmarked for development. Depending on Britain for heavy machinery and advanced technical advice in several fields, Rhodesia intends to make her ideas of development a reality.

Bulawayo, S.R.

SOUTHERN RHODESIA means big business industrially. Into the vast and as yet little-developed territory between the Limpopo and the Zambesi Rivers is pouring an ever-increasing stream of British capital, British industry, and British settlers.

It is a stream which, it is believed in Britain, if taken at the flood, will lead on to fortune. The fortune will be Rhodesia's in the transformation of her vast mineral and agricultural resources into wealth for the Empire and into valuable dollar currency.

You must think of Rhodesia in terms of hundreds upon hundreds of square miles of open country and bush and two large towns. About halfway between lies Que Que, a tiny, hot, dusty town whose significance is that it is in the heart of rich coal and iron ore deposits and the site of the country's first steel works.

The steel works is scheduled to start production in January having a target of some 30,000 tons a year. This is only a quarter of the country's annual requirement. The picture is of young and vital industries, equipped with the most modern plant from Britain, springing up around Salisbury, Bulawayo and in the Midlands, and which are, it is confidently hoped, the forerunners of much greater things.

Mainspring

Mainspring of Rhodesia's industrial development is a huge dam which is planned at Kariba Gorge, on the Zambesi, some distance below the Victoria Falls. Estimated to cost £23,000,000, Kariba will be as big as America's Boulder, Shaster, Friant and Grand Coulee dams put together. Where now the only activity is the crocodiles sliding sluggishly from the steaming mudbanks, there will spring up by 1952 or 1953, a gigantic stretch of water generating 750,000 kilowatts of electric power.

This power will be turned to use mainly in developing the high-grade deposits of iron ore in the southern portion of Northern Rhodesia. These deposits are still under investigation, but the indications are very favorable. Power will be gridded on huge pylons and will cost as little as a farthing a unit. There must be large-scale iron and steel production to absorb as much as 250,000 kilowatts, and a yearly output of 500,000 tons of pig iron and 50,000 tons of ferrochrome would be necessary.

Should a decision be taken, the Governments of Northern and Southern Rhodesia will each contribute £9,000,000 and the remaining £5,000,000 will be raised from British industrialists and financiers.

From a food production point of view, Kariba's possibilities are enormous, since by irrigation it will guarantee to hundreds of thousands of acres a water supply for the growing of tobacco, sugar, maize and other food crops. Naturally, a railway will have to be built to the dam since there is none near there now. Kariba is not the only dam Southern Rhodesia has in view. In the Sabi River Valley, lying under the country's eastern mountain escarpment, another big irrigation scheme is planned—actually more a series of dams than one big dam such as Kariba—which would serve 500,000 acres of fertile land for groundnut production.

Again, investigations are not expected to be completed in less than a year, but the Prime Minister, Sir Godfrey Huggins, is hopeful that a pilot scheme may be started soon. The Sabi Valley is rich in mineral deposits and millions of tons of high-grade apatite (phosphates) have been discovered, which can be turned into fertilizers.

The significance of these fertilizers to the country's own food production and to those countries to which she will be able to export is easy to see. Only a short railway needs to be built—40 miles—which would lead to the second phosphate mine which the Empire possesses.

The deposits are sited in wild, hot, luxuriant tropical country, inhabitable in some parts only by natives. Lions, buck, crocodiles, hippopotami and elephants abound. Towards its confluence with the Limpopo the area is alive with the deadly tsetse fly and malaria is a constant danger. It is picturesque country, however, and the wild grandeur of the nearby Chimanimani mountains is unforgettable. Bound up with Southern Rhodesia's plans for industry is her want of a new port, for Beira is inadequate. The plan is to carry a railway through to Walvis Bay, on the Atlantic.

Recently the Southern Rhodesian Government floated a loan of £32,000,000, of which £10,000,000 was earmarked for development, most of the remainder being used to cover the cost of nationalizing the railways, which had been privately owned. No less than £5,500,000 has been sunk in Rhodesia in the past year by immigrants and industrialists.

The picture in Southern Rhodesia in the next few years will be one of construction — of dams, railways, roads, new towns, factories, mines and canals being cut. We of Rhodesia are rolling up our sleeves and getting down to the job with a will. We are looking to Britain for heavy machinery and advanced technical advice in several fields.

We are a young country and we have some big ideas—and we intend to make those ideas reality and develop this country of such enormous mineral and agricultural possibilities into a yet more vital and valuable unit of the Commonwealth.

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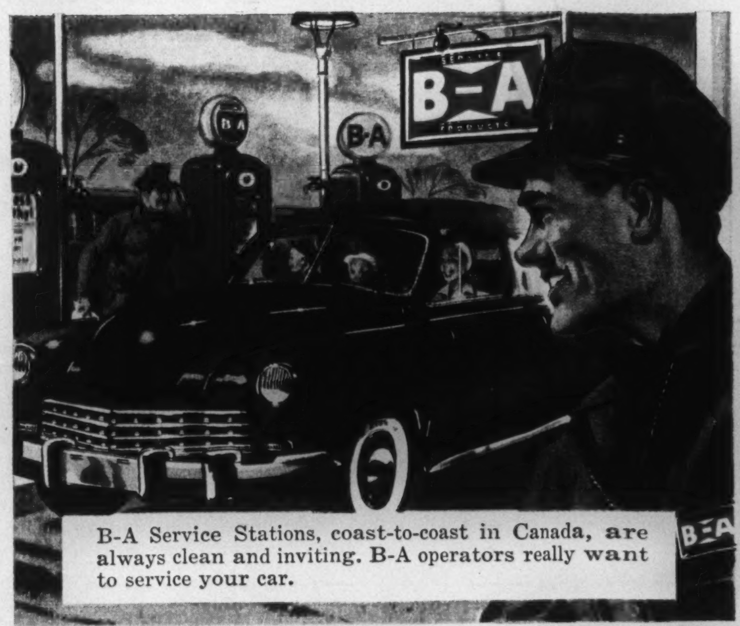

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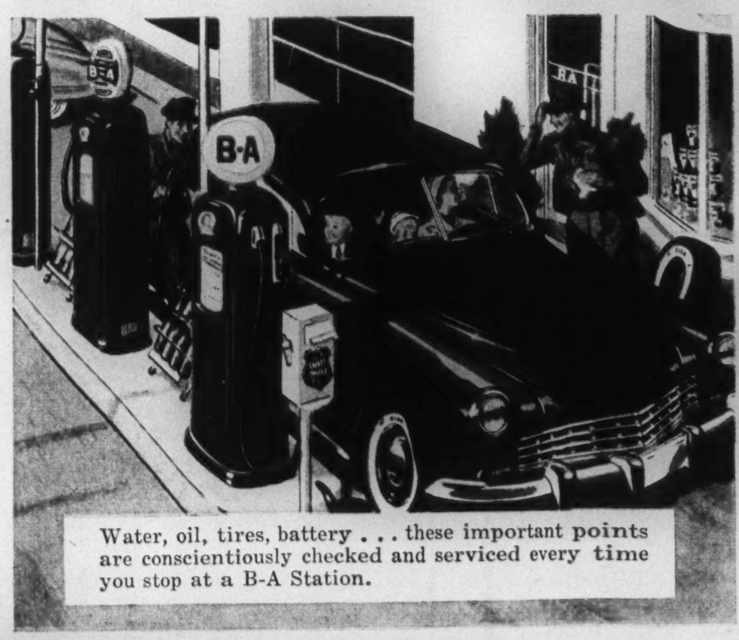

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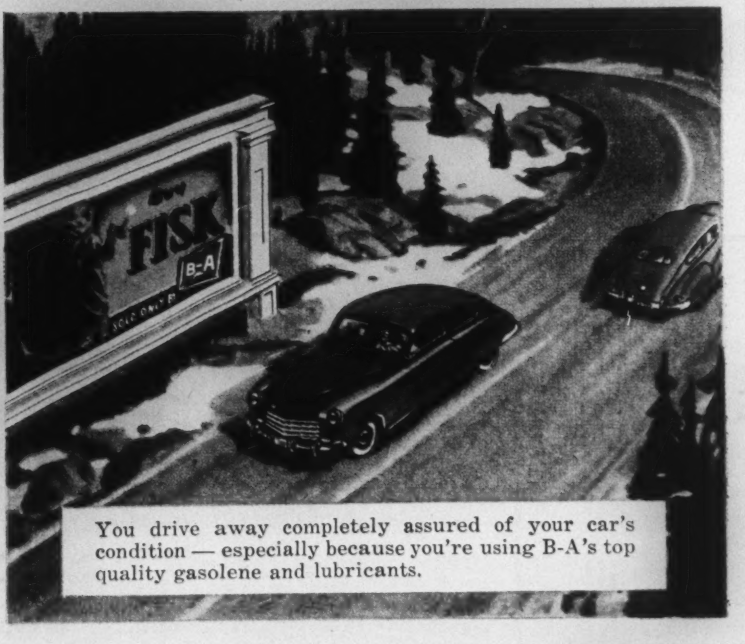

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THE WORLD TODAY

Soviets Count on U.S. Collapse How About Own Economy?

By WILLSON WOODSIDE

THE extent to which Soviet policy is based on the dogmatic assumption that the capitalist economy of the United States was bound to break down in the early postwar period, according to the "laws" propounded by Marx and Lenin, has been dramatically highlighted by the Varga affair.

As early as 1943 I noted the prediction of this leading Soviet economist that the United States would suffer within four years' time a depression worse than that of the '30's. The authorities set him to work on a study of the effect of the war on the economy of the leading capitalist countries. What he came up with has flabbergasted them.

Varga found that the state has played a decisive role in their wartime economy, even compelling powerful monopolies to forego their special interests and serve the general war effort. Worse, he finds proof that the capitalist state continues to carry on a very considerable measure of planning and regulation even in peacetime.

Far, far worse, Varga suggests in his conclusion the possibility that capitalism, instead of faltering towards its fall, has embarked on a new phase of development—something of which I indicated last week. And perhaps his most stinging find of all was that even in the field of imperialism, supposed to be the vicious final manifestation of the system, the capitalist countries had actually relaxed the grip on their colonies during and since the war.

The Moscow correspondent of the *Christian Science Monitor*, Edmund Stevens, usually Soviet-sympathetic, describes the Varga controversy as "one of the liveliest and most stimulating in Russia in many moons."

The answer of the Soviet authorities is reminiscent only of the attitude of the Church towards original thinkers in mediaeval times. *Pravda* editorialists and other critics leaping for safety can only quote what Lenin said 30 and 40 years ago, that imperialism is the final phase of capitalism, beyond which there could be no further phases except socialism; and that colonies can only achieve freedom through revolt.

Varga's Institute of World Economy has been closed down, as infested with heresy. Varga is no longer the leading economist of the Soviet Union. He is a nobody, and any former friends who still speak to him are brave men indeed. He is a saboteur of Soviet policy, "defending his errors obstinately", as *Pravda* complains, and planting seeds of doubt which will remain in many minds.

Covering Up Weakness?

Here, then, is an initial success in *our* long-term policy, of convincing the Soviets that their assumption of the breakdown of our system is untenable. Now what about the other side of the question, how is the Soviet economic system standing up?

In its truculent foreign policy, is the Soviet Government covering up vast internal weaknesses, or is it emboldened by great strength? Here I recall the maxim quoted to me in 1944 by a statesman now living within the Soviet sphere: "Always remember, Russia is never as strong, or as weak, as she looks." In short, even in difficulties she remains a colossus; but she is a clumsy one.

There are no reports of the Soviet economy to compare with the up-to-the-minute, complete and accurate data available on the American, British or Canadian economy. Yet as with every other aspect of Soviet life, one can find out most of the pertinent information, if not all of the details, by digging. There is, for example, a superb account of the development of Russian economy from Tsarist times right up to the war period of 1941, available in the most readable form, in A. Yugow's "Russia's Economic Front for War and Peace" (Harper's).

The Trotskyist quarterly *Fourth International* has carried excellent and detailed analyses of postwar developments in the U.S.S.R. by the French writer Ernest Germain. And there have been numerous studies in the London *Economist* and the New York weekly *New Leader*.

The basic facts which emerge from these strongly back up General Eisenhower's assertion the other day that the Soviet Union simply did not have the smoothly functioning industry and the mountains of supplies of all kinds which any country would need to start a big war today. The only real danger, he found, was of "stupid happenings which could start a stupid war."

The Basic Facts

These basic facts are that, to serve an area three times as great as that of the United States, Russia has only the railway network which the U.S. possessed in 1872; that she is producing today only a trifle more steel than Great Britain, commonly relegated to the status of a secondary power; that whereas British industry gasped on a coal production of 190 million tons in 1946, the giant Soviet Union had only 140 million tons; that Soviet oil production had fallen from a pre-war maximum of 32.7 million tons a year to just over 20 million tons, a twelfth part of the supply which powers American industry and transport; that Soviet agriculture, while enjoying a much better year in 1947 than the disastrous failure of 1946, will be years repairing the war losses in men, machines and buildings; that the Ukraine and White Russia, according to Stalin's own estimate, cannot be reconstructed to pre-war standards before 1955, not to say developed to standards challenging the American; that Soviet industry will only achieve by 1950 the extent—if the current Five-Year Plan is fulfilled—of American industry in 1904. After two further plans, it may reach by 1960 the level of American industry in 1915.

Most students of the Soviet economy seem to agree that transportation is its weakest link, and that expansion of the railways lagged far behind the huge expansion of industry in the '30's. Thus by the outbreak of war in 1941, the length of the rail lines had not even been doubled since 1913; there were only 40 per cent more cars, to carry over four times the freight load. By way of comparison, the vast Soviet Union had only fifty per cent more railway trackage than Germany, and only a quarter of the trackage of the United States.

Railway Reconstruction

Obviously there is an enormous work to be done here, to bring the railways into line with the needs of the country's expanded economy. The Soviets admit officially that 15,800 of their 30,000 locomotives were destroyed in the war. The current Five-Year Plan only provides—always hopefully—for the replacement of half of these by 1950; and that still leaves the wear and tear on the others to be taken care of. Out of some 800,000 rail cars the war losses were admitted to be 428,000. The current plan calls for the building of 472,500 by 1950.

The critically reduced steel production obviously is going to impose a brake on the railroad program, as on that of all industry. If the British, with the largest steel production in their history, 15 million tons, find that this promises to be the limiting factor in their economic development for 1948, and if the Americans with close to 90 million tons were hampered on every side by steel shortage last year, what must the situation be in Russia, where the pre-war production of 18.3 million tons was knocked down by 1944 to 13 million and has only been restored painfully to 15.5 million in the last year?

The Soviet press carries stories of shutdowns of blast furnaces, of poor quality steel, of waste and rejects, which indicate that many technical problems remain unsolved, and probably that lagging transportation of raw materials is holding up steel production, just as lagging steel production is holding up the rehabilitation of the railroads.

Consider the situation in the Donetz Basin, in the Ukraine, pre-war producer of 60 per cent of the coal and half the steel of Russia, its importance to Western Russia being aptly comparable to that of the Ruhr to Germany. Drew Middleton of the New York *Times*, says that when he was in the Donetz Basin in 1946 it looked as if the Germans had been gone three days instead of three years. The enemy had flooded the coal mines, toppled some of the blast furnaces and heavily wrecked the rest. The cities were in ruins; the people living in cellars and dugouts.

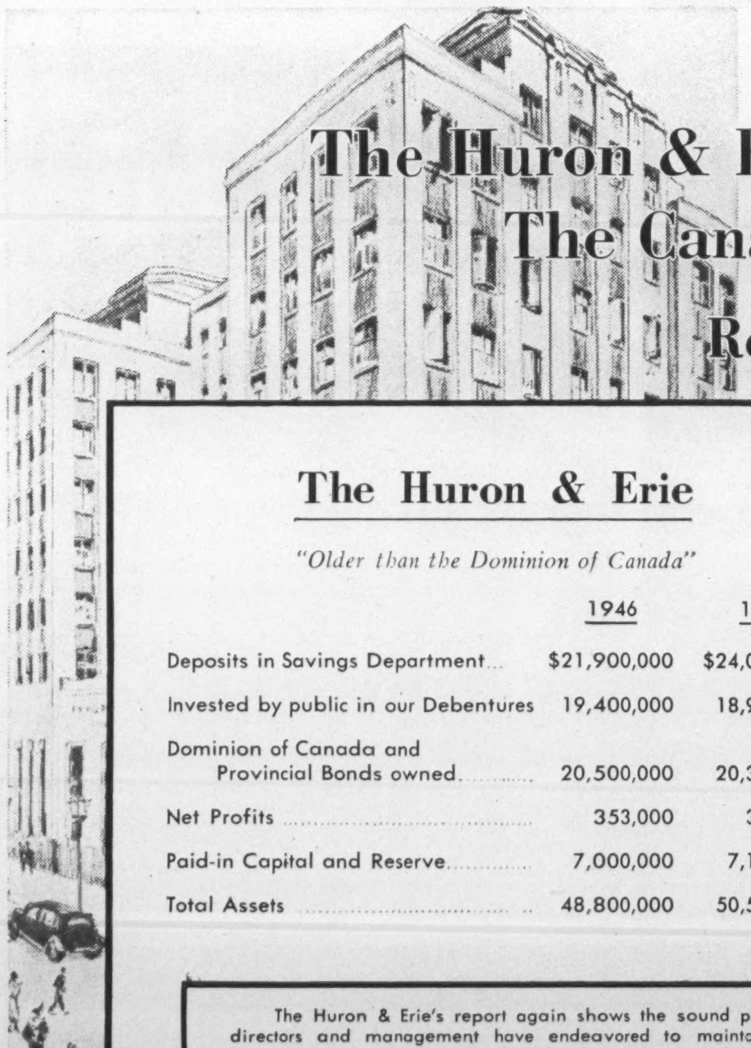
In brief, the whole area seems to be in very much the same condition as the Ruhr, which I have seen. We have heard a great deal of the difficulties of reconstruction in the latter, where the greater part of the mines and steel mills were intact, and only the cities, the workers' homes, the utilities, smashed. How much different are reconstruction problems in the Donbas and the rest of Western Russia?

Donbas Like the Ruhr

There must be the same, simultaneous need for housing, food, coal, steel, cement, repair parts and transportation; the same shortage of able-bodied workers, and similar problems of maintaining their morale and productivity under terrible working and living conditions. Coal production in the Donbas as in the Ruhr stands at about half of pre-war.

Oil production is another of the main bottlenecks in Soviet industrial development and mechanization of agriculture, which sufficiently accounts for their seizure of the Rumanian, Hungarian, Austrian and Polish oil fields and refineries. Soviet oil production had been built up from 22 to 32.7 million tons between 1932-40. The destruction wrought by the Germans in the Maikop and Grozny fields dropped it sharply, and it is estimated at just over 20 million tons today. Possibly 5 million tons are taken from Eastern Europe.

There are indications that the major Baku field has declined to a production of 12.5 million tons, which is not so surprising since it produced 15 million tons a year as far back as 1901. Here again, the Soviets face



The Huron & Erie Mortgage Corporation
The Canada Trust Company
Head Office — London. Ont.
Results for 1947

The Huron & Erie

"Older than the Dominion of Canada"

	1946	1947
Deposits in Savings Department...	$21,900,000	$24,000,000
Invested by public in our Debentures	19,400,000	18,900,000
Dominion of Canada and Provincial Bonds owned..........	20,500,000	20,300,000
Net Profits	353,000	395,000
Paid-in Capital and Reserve............	7,000,000	7,100,000
Total Assets	48,800,000	50,500,000

The Canada Trust

"Friendly and Efficient"

	1946	1947
Estate, trust and agency assets under administration	$36,100,000	$92,500,000
Funds invested by public in Guaranteed Deposit and Trust Certificates	7,940,000	13,200,000
Net Profits	87,500	105,000
Paid-in Capital and Reserve	1,700,000	1,700,000
Total Assets	45,800,000	107,800,000

The Huron & Erie's report again shows the sound position which directors and management have endeavored to maintain since the business was started in 1864. Continued growth in number of depositors is evidence of public esteem, while the amount of deposits reflects the present state of prosperity.

The figures above relating to The Canada Trust Company reflect the merger with The London & Western Trusts Company at the beginning of 1947. The merging of the two organizations was accomplished smoothly and it is expected that in the future, as in the past, the public response to friendly and efficient service will be gratifying.

Combined assets of these institutions now total over $158,000,000

Branches in 6 provinces: London Chatham Toronto Winnipeg Hamilton Regina Montreal Edmonton Windsor Vancouver St. Thomas Victoria

great difficulties in producing the necessary oil drilling equipment and large quantities of steel pipe needed for expansion; while American oil men claim that the Russians mismanage their oil wells, allowing them to sand up, and confirm this by showing that only 3 million tons of oil a year are being extracted today in Rumania, against double that quantity before the war.

Oil and Tractors

Oil supplies are going to be critical in the operation of the new fleets of tractors planned to restore war losses and further mechanize Soviet agriculture. Of 523,000 tractors in use in 1940, the Soviets admit to having lost 137,000. Their press has further revealed that it took a solid year after V-E Day to convert the Cheliabinsk Works and produce its first post war tractor. Difficulties must have been far greater at the Stalingrad Works.

By a careful calculation Germain reckons that no more than 34,000 tractors were made in 1946. The plan calls for an annual rate of 112,000 a year by 1950, but how that may turn out in practice could be another thing. In the meantime the tractors which survived the war will be quite worn out.

However, it should not be assumed from this that agriculture will prove to be one of the weakest links in the Soviet economy. On the contrary, the recovery of 1947 shows that in spite of the fact, admitted in the Soviet papers, that a part of the crop in Western Russia was spaded-in, and five-sixths of it reaped by sickle and scythe summer before last, with women providing 80 per cent of the labor force of the collectives, Soviet agriculture is one of the most reliable sectors of the economy.

This is due in considerable part to the large amount of food privately produced and sold by the peasants. Twenty-five years after the revolution, this still amounted to 25 per cent of the total before the war and there is every indication that, whatever the dogma of the government, this private production was so reliable and so needed during the war that its expansion was winked at. And the expansion was constantly stimulated by the soaring prices which the peasants could get on the free market.

During the past year, however, a great offensive has been carried on against what are described as "corruption, mismanagement, and failure of discipline" on the collective farms. Half a million farm officials have been fired. Discipline and party control have been tightened. The Stakhanovite system of piece-work and reward according to actual production, instead of pay by standard labor-day for good worker and loafer alike, has been applied more intensively. Grain collections have been made more severe, applying to the total and not just the sown area of the collectives, to encourage maximum planting.

This had fallen off heavily in the regions not affected by war—according to some indications by as much as a third—while the peasants applied themselves to their more profitable private plots and spent many days at market. Now, for the first time since the forcible collectivization of 1931-32, a peasant is no longer required to take his own produce, and only his own, to market. It can now be marketed cooperatively.

Peasant Savings Grabbed

The sharpest postwar measure hit the peasants on December 14, 1947, when the rouble was devaluated. Traditionally, the peasant hoards his money in cash and doesn't use the bank, so he took the full blow, one new rouble for ten old ones. Perhaps worse than that: suspicious of whether he might be denounced as a profiteer, now or at some future time, if he declared a sizeable store of roubles, many a peasant must have decided that having lost nine-tenths anyway, it might be safer to let the other tenth go. Nor would it be easy for those who wanted to turn in their roubles, to get in to the nearest town, in winter time, within the few days allotted.

So the peasants have seen their savings of years wiped out overnight, much as they had their land and stock taken from them in the collectivization drive. It remains to be seen what they will, or can, do about this. The crop figures may tell something about it, in the autumn. As for the government, it quite clearly included the peasants among the "war profiteers" whom it denounced in making the devaluation. It must certainly have been concerned over the persistency of private trade after all these years, and the political implications evident in the growth of a class of "kolhoz millionaires." And from the purely practical point of view it could not put an end to rationing without mopping up the big currency hoard of the peasantry.

But while the peasants cannot be expected to appreciate this expropriation, even the worker in industry, who had only a few hundred roubles in the bank and lost none of them, will find himself worse off. His rations, such as they were, used to be cheap. A year ago, they were suddenly tripled in price, and he could no longer afford to buy his full ration. Now, except for bread, food prices are raised again somewhat, while clothes and shoes have been boosted beyond his reach. And while it is easy to say that they aren't rationed any more, there are no more of them to go round. It is quite plain that of what there are, the rich will get more while the poor will get less.

This seems a good place to bring up the question of *why* everything is so fantastically expensive in Russia, so that the average worker, earning 500 roubles a month, must work 2½ weeks to buy a pair of shoes, which an American worker can buy with a day's pay; 3 months for a suit, which a worker here buys with less than a week's work; 5 hours for a dozen eggs, which cost 40 minutes' work here; 2½ hours to buy a pound of sugar, which costs five minutes' work in America; an hour and 15 minutes for a quart of milk, which is ten minutes' work here; and to come right down to basic feeding, 31 minutes for a pound of bread, which costs an American worker 7 minutes' labor?

Now, Here's a Sales Tax!

The reason is partly the low productivity of Soviet labor, below the lowest European standards. But it is due far more to the turnover tax, imposed on all articles of mass consumption. We have heard and read quite a deal lately about the burden which our 8 per cent Canadian sales tax imposes on the less-well-off part of the community. *The poorest worker in Russia pays a 300 per cent sales tax, or turnover tax, on his bread and his cheese, his shoes and his clothes.*

Of course, the Soviet Government describes this as a "75 per cent tax on the sale price" of the article. But if it boosts the price of a 10c loaf of bread to 40c, and means you have to work three months instead of three weeks for a suit of clothes, it doesn't matter much how it is described.

Could there well be a more anti-social provision than this turnover tax, *which provides two-thirds of the state budget*, and bears most heavily on the poor? How much more equitable is our graduated income tax, which bears most heavily on the rich, and completely exempts the poor.

What does all this add up to? Not, certainly, to a well-balanced assessment of the Soviet economy. It is an attempt to reveal some of the weaknesses of that economy, whose masters cling to the curious dogma that not their system, but ours, is "failing." Without the slightest belief that the Soviet economy is likely to collapse, I do find it doubtful that the leaders of a country in such condition can be deliberately planning an early war against the United States, industrially four times stronger.

And incidentally, the United States very nearly doubled its productive capacity between 1939-45, and painlessly, through the much-condemned "profit system." Or perhaps you'd rather have the turnover tax?

JACK: Heard quite a good speech this afternoon on the many services offered to business by an International Freight Forwarder.

BILL: Wish I'd heard it! But I'll make you a little bet that there isn't a firm offering more than Canadian-European Forwarders.

JACK: I believe you're right. And I'll bet you, in turn, that not everybody knows how wide a range of service they *can* give you.

BILL: I heard of an instance the other day. Each year one firm in town sends a parcel of samples to each of its agents, all over the world. Packing, shipping, correct documentation to seventy different points put a heavy load on an office staff unaccustomed to that sort of work. It was an annual and expensive headache.

JACK: Mean to say that Canadian-European Forwarders took that off their hands?

BILL: They certainly did! They showed them that most of the smaller parcels could go economically by Air, at a great saving of time; and they now do the entire job quickly, efficiently, and at much less expense than the old way. I think that if more firms would telephone or visit Canadian-European Forwarders' office, they'd be surprised to find how their services would be of help.

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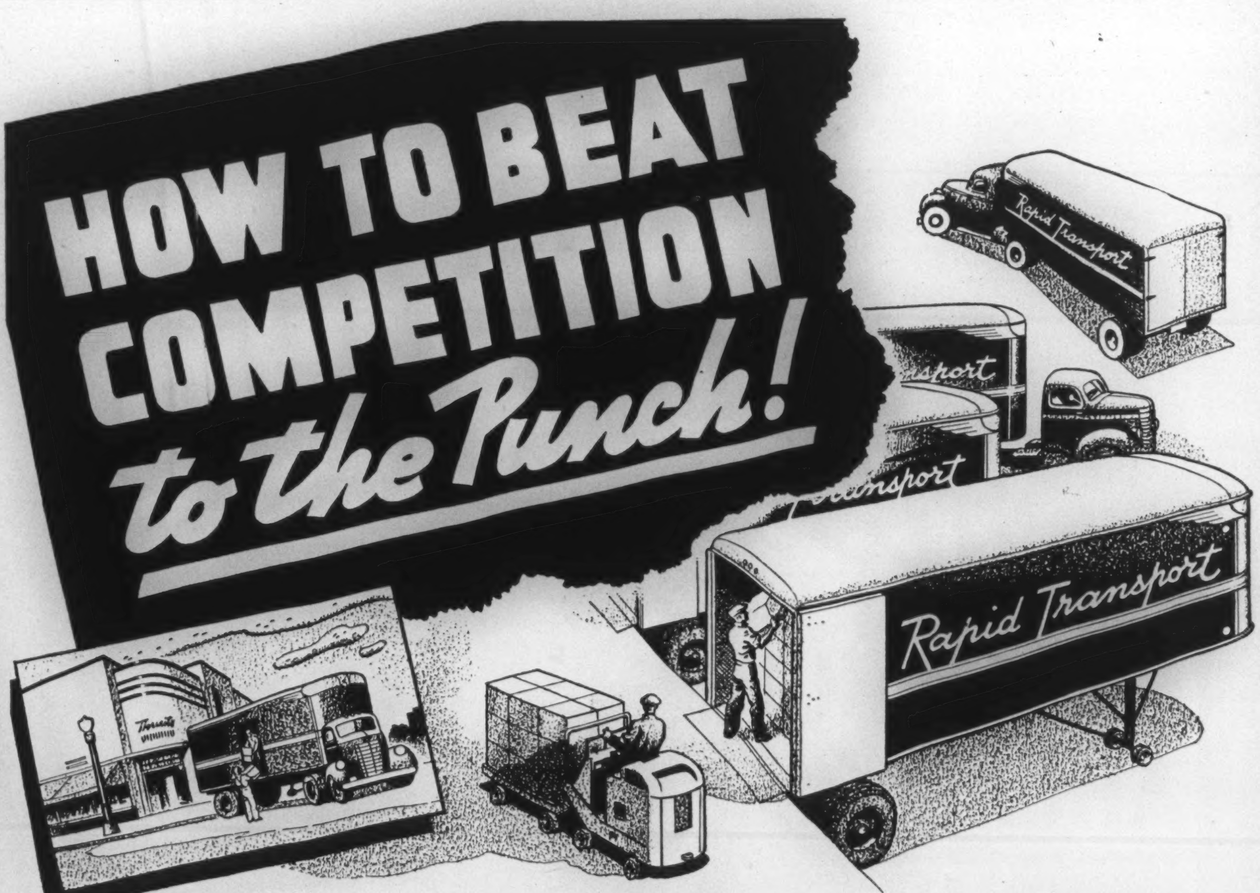

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"ENGINEERED TRANSPORTATION"

FROM THE EDITOR'S CHAIR

Canada's Government System Mysterious But It Works

By B. K. SANDWELL

IT WAS high time that such a work as "The Government of Canada", by such an authoritative pen as that of R. MacGregor Dawson (Univ. of Toronto Press, $5.50) should be made available. With the welkin ringing with the cries of provincial premiers proclaiming that they ought to be "consulted" by the Dominion even on matters clearly within the Dominion competence, it is refreshing to have the former president of the Canadian Political Science Association stating in the clearest possible language that a large part of the powers now enjoyed by the provinces were never assigned to them by the framers of the constitution but have been abstracted piecemeal from the Dominion by "the judicial technique of statutory interpretation" (W. P. M. Kennedy), and this at a time when no means existed (as no means exist now) by which the Canadian people could declare their wishes as to the kind of constitution they desired.

Mr. Dawson is obliged, of course, to expound the Canadian constitution, not as it was written in 1867, but as it has been worked over by the interpretation process. In a most interesting paragraph he quotes the Rowell-Sirois Report as crediting the Judicial Committee of the Privy Council with reluctance to concede to the Dominion anything beyond the "enumerated powers" on the ground that to do otherwise would involve the courts in "deciding what were essentially legislative questions." Such a surmise, he adds, "has at least the virtue of making intelligible the position adopted by the Judicial Committee, and illustrates, if true, the type of judicial restraint contemplated above"— a restraint due to unwillingness to determine questions of public policy in the courtroom instead of the legislature. And in a still more interesting paragraph he points out that even with the constitution subject to judicial review the final power is still in the hands of the constitution-making authority and not of the courts. This would perhaps be some consolation to Canadians if they had a constitution-making authority, but the sad fact remains that they have not, having never established any method by which an amendment altering the division of powers can be passed upon; and it is probably this fact more than anything else that has caused them to be extremely passive under the prolonged enlargement of provincial powers at the Dominion's expense. That the constitution has remained substantially unamended and (in disputable matters between provincial and Dominion authority) unamendable for eighty years, through a period of complete transition "from colony to nation," is one of the marvels of history, and Mr. Dawson's chapter on the "development" of the constitution explains the marvel as fully as it can be explained.

As its title suggests, this book is much more than a treatise on the B.N.A. Act. It exhibits the whole process of government, much of which depends on convention and tradition and not on written fundamental law. Thus there is a short but highly important chapter on "Administrative Powers," the whole moral of which is that "the jealous eye of Parliament" is the nation's only safeguard. The chapter on the Cabinet ascribes a great deal of the "gradual debilitation" of the Senate to the adoption in 1921 of the principle that all responsible Ministers of Departments should sit in the Commons. The chapter on the Governor General contains a highly interesting discussion of the inevitable differences between the Crown in the person of a hereditary monarch and the Crown in the person of an appointed representative—differences which "make any real parallel in some respects quite impossible." The Governor General now holds his office at the pleasure of his own Cabinet, and there is an "unsavoury precedent" in the case of Ireland in 1932 for the dismissal of the King's representative "for the most trivial reasons" and the appointment of a strongly partisan successor. Mr. Dawson makes no reference to the fact that the office has since been entirely abolished and a "President" substituted. Perhaps he regards that as an abolition of "Dominion status."

Watertight Case?

Concerning the situations in which the Governor General may act without or against the advice of his Cabinet, Mr. Dawson says there have been only two cases in Canada in fifty years. Lord Aberdeen in 1896 refused to make appointments on the advice of the Conservative Government after it was defeated at the polls; of this he says rather curiously that the refusal "would seem to have had little or no constitutional backing." Seeing that the defeated Government could not possibly invoke a fresh appeal to the people, since it could not ask for dissolution of a Parliament which had never even met, one would think that it was the audacious "advice" to make the appointments that lacked constitutional backing. The other case was of course the King-Byng-Meighen case of 1926, of which, while admitting that he is on debateable ground, Mr. Dawson says that here also the Governor did not "join issue with his Cabinet on what could be considered a watertight case." The lack of watertightness in 1926 was Mr. Meighen's astounding miscalculation about his ability to control the House (supplemented by the equally astounding indecision of the Progressives), and that was no fault of Lord Byng's. Either a Governor is entitled to refuse dissolution to one party leader on the assurance of another that he can carry on government with the existing House of Commons, or he is not. His wisdom may be proved wanting by subsequent events, but his constitutional power cannot be. Altogether Mr. Dawson's attitude on this whole subject seems to be calculated to enhance the power of the Cabinet at the expense of that of Parliament, a process which he is generally much concerned to resist. As for a watertight case, if Governors are to wait for that before exercising their discretionary power they will obviously never exercise it, for no Government would tender advice which the Governor had a watertight case for refusing.

Party Conventions

Active politicians will read with special interest the pages on Conventions under "Party Organization." There have been only five major-party conventions in Canada, spread over more than fifty years, and the first (Liberals in 1893) was not for choice of a leader. The Liberals in their one other convention chose Mr. King; the Conservatives successively chose Bennett, Manion and Mr. Bracken. "One would find it very difficult to assert with confidence that any other method would have given better results," says Mr. Dawson in an optimistic moment. One would also find it very difficult not to conclude that the party with one convention in fifty years has done a lot better than the party with three; but of course, if you are going in for conventions, the worse you do the more conventions you need.

The same active politicians (unless they are too contemptuous of "mere professors") should read also the passages dealing with the handicap imposed on a candidate for the national party leadership by "too close association with any province—and particularly with some provinces." A provincial premier, says Mr. Dawson, "may have so identified himself with his own province that he is as a result disliked in others."

The permission granted to civil servants in Saskatchewan to support and canvass for any political party is described as "so palpably unworkable and fraught with so many sinister possibilities that the other reform (of the method and terms of appointment) is placed under the gravest suspicion." We may add that it indicated a complete contempt for the British parliamentary system of government.

One subject upon which we should like Mr. Dawson's comment but do not find any, is the effect upon federal politics of the coalition of the anti-Socialist parties in order to prevent a minority Socialist government. This situation has existed in British Columbia for some years, and many extend to other provinces, and is bound to influence the Dominion situation in the long run.

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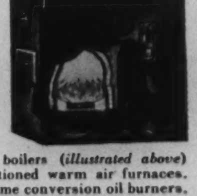
OIL

Self-firing boilers (*illustrated above*) and conditioned warm air furnaces. Radiant flame conversion oil burners.

GAS

Conditioned warm air furnaces (*illustrated above*). Conversion gas burners. New type radiant heat source.

BAGATELLE

The Most Beautiful Girl in the World

By KIMBALL McILROY

BEHIND the door marked *"FAMOUS FILMS—Eastern Publicity Director"*. Benny Carstairs looked as if he were going to cry.

"Why does this have to happen to me?" he demanded of Jake, his assistant. "For six months nothing stirs. Not a single thing. I might as well close the office and take a vacation. And then all at once, out of a clear sky. Famous decides to hold world premieres of two super-epics right here in town in the same week. I'd be overworked if I were twins."

"Yeah, I know," Jake agreed sympathetically.

"Triplets, even," Benny added.

"It's tough, Benny."

"The Most Beautiful Girl in the World, starring Dawn Delaney. For this they want me to hunt up the most beautiful girl in town, who will appear at the premiere tonight."

"Well, you found her," Jake said, "and she's okay."

"So I found her. And didn't get any sleep for a month, just looking at photographs. I never knew there were so many girls in the whole world with the idea they were beautiful."

"A lot of guys would like the job," Jake pointed out.

"A lot of guys like to drive racing cars, too," Benny said, "or tame lions. I don't. And then what? *Outdoor Girl*, starring Flossy, the Wonder Dog. Outdoor girls have freckles, so next they want me to find the girl with the most freckles. More photographs, all day and all night, till I have freckles before my eyes. I suppose a lot of guys would like *that* job."

"Well, you found her, too," Jake said.

"I know. And after two months of it I'm a wreck, physical and mental. Now today all I've got to do is make sure that Gloria Day, the beauty winner, gets down to the premiere and Marie Flack, who has the freckles, comes here to the office to meet the press and also Flossy, the Wonder Dog, gets over to the Dog Show, where she's going to be guest of honor, though I admit that one's easy. Then I can rest until the premiere of *Outdoor Girl* tomorrow."

"It's a tough life, all right," Jake agreed. He sat on the edge of Benny's desk, shaking his head. After a while he began to chuckle.

"WHATS so funny?" Benny demanded, glaring balefully.

"I was just thinking," Jake said.

"Thinking what?"

"If you made a mistake and sent Marie Flack to the premiere and had Gloria Day up here to meet the press."

Benny shuddered. "Don't even talk about it."

Jake guffawed aloud. "I can see the whole thing. The Mayor announcing, 'And now, ladies and gentlemen, it gives me great pleasure to present to you the most glittering gem of our fair city, the young lady whose beauty has stolen our hearts as it will yours. Miss Gloria Day!' Everybody claps, and Marie steps out to take a bow, displaying two hundred freckles to the square inch."

"Don't even suggest such a thing, Jake," Benny pleaded, "because it could happen. And I've got troubles enough already."

"And the reception for the press here," Jake went on, enjoying himself too much to stop. "You saying, 'Gentlemen, may I present our conception of the one-hundred-per cent outdoor girl, the perfect wildwood companion for the immortal Flossy. Miss Marie Flack!' And Gloria appears, looking like she'd just stepped out of a beauty parlor, and probably afraid of dogs at that."

Benny cradled his head in his hands. "Shut up, Jake," he pleaded.

"What a story!" Jake said. "Paramount would love it. M.G.M., too."

"Go away," Benny begged. "Please go away, Jake. You can see I've got too many troubles now, without even thinking of such things."

Jake went, chuckling. Benny set his jaws grimly. As he went about the million-and-one things he had to do, he repeated stubbornly to himself: "Gloria to the premiere, and Marie to meet the press. Gloria to the premiere, and Marie to meet the press. Gloria . . .", and he kept repeating it right through the afternoon. He wasn't going to make any mistake, even if the monotonous refrain did make it a little difficult to concentrate on other matters.

At ten minutes to eight everything was done that had to be done. Benny sat back in his chair to enjoy a brief respite before going out to greet the press.

At five minutes to eight his phone rang. He picked up the receiver and barked into the mouthpiece, "What do you want?"

It was Mr. Gimbel, big boss of Famous Films. Benny's tone underwent an abrupt change.

"Yes, Mr. Gimbel?" he asked very politely.

"You've got everything arranged, Benny?" Mr. Gimbel enquired anxiously. "You're sure? The Face? The Freckles? Flossy?"

"Everything's arranged, Mr. Gimbel," Benny said, "as always. I'm just waiting here for Miss Flack now."

"That's fine, Benny," Mr. Gimbel said. "I just wanted to make sure."

"Don't you worry, Mr. Gimbel," Benny said.

As he hung up, Miss Porter, his secretary, came in.

"Is she out there?" Benny asked.

Miss Porter nodded. "She just arrived."

"Good." Benny sighed deeply, conscious of a tough job well done. "How many has she got?"

Miss Porter looked at him queerly. "How many what, Mr. Carstairs?"

"Freckles," Benny said, suddenly ice-cold.

Miss Porter looked even more puzzled.

"Freckles, Mr. Carstairs? Freckles?" She scratched her head. *"Flossy?"*

• •

ASSESSMENT

WHEN I was feeling mighty blue
It was my luck to meet with you;
And for a while, my dear, at least,
Worry and discontentment ceased.

You were my antidote for woe,
My pick-me-up, but now I know
How much more wise it would have been
If I had taken aspirin.

J. E. P.

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Double Reward

from Kodachrome Film in your miniature camera

Projection: your projected Kodachrome transparencies are the "show window" of color photography.

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"GRAND COLOR SHOTS"... 'most any winter day offers them with Kodachrome Film in your miniature camera... whether winter keeps you indoors at home or takes you far, far away.

Snow really accents color in bright faces and brighter togs, as you'll see for yourself when you project your Kodachrome transparencies—your exposed film finished without extra charge.

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FROM THE EDITOR'S CHAIR

Canada's Government System Mysterious But It Works

By B. K. SANDWELL

IT WAS high time that such a work as "The Government of Canada", by such an authoritative pen as that of R. MacGregor Dawson (Univ. of Toronto Press, $5.50) should be made available. With the welkin ringing with the cries of provincial premiers proclaiming that they ought to be "consulted" by the Dominion even on matters clearly within the Dominion competence, it is refreshing to have the former president of the Canadian Political Science Association stating in the clearest possible language that a large part of the powers now enjoyed by the provinces were never assigned to them by the framers of the constitution but have been abstracted piecemeal from the Dominion by "the judicial technique of statutory interpretation" (W. P. M. Kennedy), and this at a time when no means existed (as no means exist now) by which the Canadian people could declare their wishes as to the kind of constitution they desired.

Mr. Dawson is obliged, of course, to expound the Canadian constitution, not as it was written in 1867, but as it has been worked over by the interpretation process. In a most interesting paragraph he quotes the Rowell-Sirois Report as crediting the Judicial Committee of the Privy Council with reluctance to concede to the Dominion anything beyond the "enumerated powers" on the ground that to do otherwise would involve the courts in "deciding what were essentially legislative questions." Such a surmise, he adds, "has at least the virtue of making intelligible the position adopted by the Judicial Committee, and illustrates, if true, the type of judicial restraint contemplated above"—a restraint due to unwillingness to determine questions of public policy in the courtroom instead of the legislature. And in a still more interesting paragraph he points out that even with the constitution subject to judicial review the final power is still in the hands of the constitution-making authority and not of the courts. This would perhaps be some consolation to Canadians if they had a constitution-making authority, but the sad fact remains that they have not, having never established any method by which an amendment altering the division of powers can be passed upon; and it is probably this fact more than anything else that has caused them to be extremely passive under the prolonged enlargement of provincial powers at the Dominion's expense. That the constitution has remained substantially unamended and (in disputable matters between provincial and Dominion authority) unamendable for eighty years, through a period of complete transition "from colony to nation," is one of the marvels of history, and Mr. Dawson's chapter on the "development" of the constitution explains the marvel as fully as it can be explained.

As its title suggests, this book is much more than a treatise on the B.N.A. Act. It exhibits the whole process of government, much of which depends on convention and tradition and not on written fundamental law. Thus there is a short but highly important chapter on "Administrative Powers," the whole moral of which is that "the jealous eye of Parliament" is the nation's only safeguard. The chapter on the Cabinet ascribes a great deal of the "gradual debilitation" of the Senate to the adoption in 1921 of the principle that all responsible Ministers of Departments should sit in the Commons. The chapter on the Governor General contains a highly interesting discussion of the inevitable differences between the Crown in the person of a hereditary monarch and the Crown in the person of an appointed representative—differences which "make any real parallel in some respects quite impossible." The Governor General now holds his office at the pleasure of his own Cabinet, and there is an "unsavoury precedent" in the case of Ireland in 1932 for the dismissal of the King's representative "for the most trivial reasons" and the appointment of a strongly partisan successor. Mr. Dawson makes no reference to the fact that the office has since been entirely abolished and a "President" substituted. Perhaps he regards that as an abolition of "Dominion status."

Watertight Case?

Concerning the situations in which the Governor General may act without or against the advice of his Cabinet, Mr. Dawson says there have been only two cases in Canada in fifty years. Lord Aberdeen in 1896 refused to make appointments on the advice of the Conservative Government after it was defeated at the polls; of this he says rather curiously that the refusal "would seem to have had little or no constitutional backing." Seeing that the defeated Government could not possibly invoke a fresh appeal to the people, since it could not ask for dissolution of a Parliament which had never even met, one would think that it was the audacious "advice" to make the appointments that lacked constitutional backing. The other case was of course the King-Byng-Meighen case of 1926, of which, while admitting that he is on debateable ground, Mr. Dawson says that here also the Governor did not "join issue with his Cabinet on what could be considered a watertight case." The lack of watertightness in 1926 was Mr. Meighen's astounding miscalculation about his ability to control the House (supplemented by the equally astounding indecision of the Progressives), and that was no fault of Lord Byng's. Either a Governor is entitled to refuse dissolution to one party leader on the assurance of another that he can carry on government with the existing House of Commons, or he is not. His wisdom may be proved wanting by subsequent events, but his constitutional power cannot be. Altogether Mr. Dawson's attitude on this whole subject seems to be calculated to enhance the power of the Cabinet at the expense of that of Parliament, a process which he is generally much concerned to resist. As for a watertight case, if Governors are to wait for that before exercising their discretionary power they will obviously never exercise it, for no Government would tender advice which the Governor had a watertight case for refusing.

Party Conventions

Active politicians will read with special interest the pages on Conventions under "Party Organization." There have been only five major-party conventions in Canada, spread over more than fifty years, and the first (Liberals in 1893) was not for choice of a leader. The Liberals in their one other convention chose Mr. King; the Conservatives successively chose Bennett, Manion and Mr. Bracken. "One would find it very difficult to assert with confidence that any other method would have given better results," says Mr. Dawson in an optimistic moment. One would also find it very difficult not to conclude that the party with one convention in fifty years has done a lot better than the party with three; but of course, if you are going in for conventions, the worse you do the more conventions you need.

The same active politicians (unless they are too contemptuous of "mere professors") should read also the passages dealing with the handicap imposed on a candidate for the national party leadership by "too close association with any province—and particularly with some provinces." A provincial premier, says Mr. Dawson, "may have so identified himself with his own province that he is as a result disliked in others."

The permission granted to civil servants in Saskatchewan to support and canvass for any political party is described as "so palpably unworkable and fraught with so many sinister possibilities that the other reform (of the method and terms of appointment) is placed under the gravest suspicion." We may add that it indicated a complete contempt for the British parliamentary system of government.

One subject upon which we should like Mr. Dawson's comment but do not find any, is the effect upon federal politics of the coalition of the anti-Socialist parties in order to prevent a minority Socialist government. This situation has existed in British Columbia for some years, and many extend to other provinces, and is bound to influence the Dominion situation in the long run.

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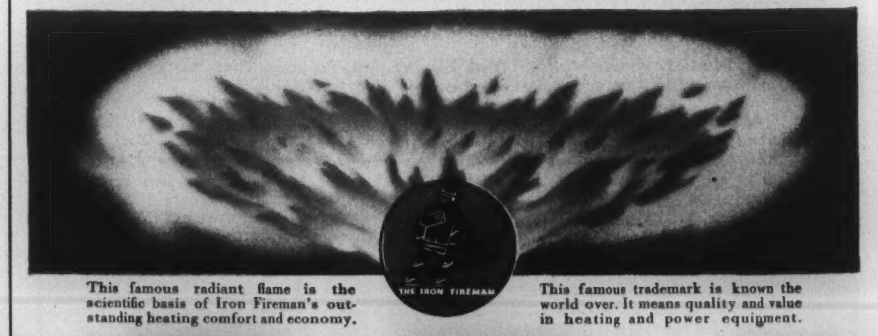

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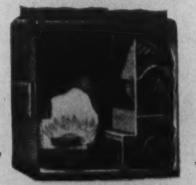
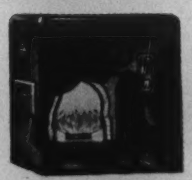

COAL
Self-firing boilers and conditioned warm air furnaces (*illustrated above*). Automatic Coal-Flow stokers.


OIL
Self-firing boilers (*illustrated above*) and conditioned warm air furnaces. Radiant flame conversion oil burners.

GAS
Conditioned warm air furnaces (*illustrated above*). Conversion gas burners. New type radiant heat source.

BAGATELLE

The Most Beautiful Girl in the World

By KIMBALL McILROY

BEHIND the door marked *"FAMOUS FILMS—Eastern Publicity Director"*. Benny Carstairs looked as if he were going to cry.

"Why does this have to happen to me?" he demanded of Jake, his assistant. "For six months nothing stirs. Not a single thing. I might as well close the office and take a vacation. And then all at once, out of a clear sky, Famous decides to hold world premieres of two super-epics right here in town in the same week. I'd be overworked if I were twins."

"Yeah, I know," Jake agreed sympathetically.

"Triplets, even," Benny added.

"It's tough, Benny."

"*The Most Beautiful Girl in the World*, starring Dawn Delaney. For this they want me to hunt up the most beautiful girl in town, who will appear at the premiere tonight."

"Well, you found her," Jake said, "and she's okay."

"So I found her. And didn't get any sleep for a month, just looking at photographs. I never knew there were so many girls in the whole world with the idea they were beautiful."

"A lot of guys would like the job," Jake pointed out.

"A lot of guys like to drive racing cars, too," Benny said, "or tame lions. I don't. And then what? *Outdoor Girl*, starring Flossy, the Wonder Dog. Outdoor girls have freckles, so next they want me to find the girl with the most freckles. More photographs, all day and all night, till I have freckles before my eyes. I suppose a lot of guys would like *that* job."

"Well, you found her, too," Jake said.

"I know. And after two months of it I'm a wreck, physical and mental. Now today all I've got to do is make sure that Gloria Day, the beauty winner, gets down to the premiere and Marie Flack, who has the freckles, comes here to the office to meet the press and also Flossy, the Wonder Dog, gets over to the Dog Show, where she's going to be guest of honor, though I admit that one's easy. Then I can rest until the premiere of *Outdoor Girl* tomorrow."

"It's a tough life, all right," Jake agreed. He sat on the edge of Benny's desk, shaking his head. After a while he began to chuckle.

"WHATS so funny?" Benny demanded, glaring balefully.

"I was just thinking," Jake said.

"Thinking what?"

"If you made a mistake and sent Marie Flack to the premiere and had Gloria Day up here to meet the press."

Benny shuddered. "Don't even talk about it."

Jake guffawed aloud. "I can see the whole thing. The Mayor announcing, 'And now, ladies and gentlemen, it gives me great pleasure to present to you the most glittering gem of our fair city, the young lady whose beauty has stolen our hearts as it will yours. Miss Gloria Day!' Everybody claps, and Marie steps out to take a bow, displaying two hundred freckles to the square inch."

"Don't even suggest such a thing, Jake," Benny pleaded, "because it could happen. And I've got troubles enough already."

"And the reception for the press here," Jake went on, enjoying himself too much to stop. "You saying, 'Gentlemen, may I present our conception of the one-hundred-per cent outdoor girl, the perfect wildwood companion for the immortal Flossy. Miss Marie Flack!' And Gloria appears, looking like she'd just stepped out of a beauty parlor, and probably afraid of dogs at that."

Benny cradled his head in his hands. "Shut up, Jake," he pleaded.

"What a story!" Jake said. "Paramount would love it. M.G.M., too."

"Go away," Benny begged. "Please go away, Jake. You can see I've got too many troubles now, without even thinking of such things."

Jake went, chuckling. Benny set his jaws grimly. As he went about the million-and-one things he had to do, he repeated stubbornly to himself: "Gloria to the premiere, and Marie to meet the press. Gloria to the premiere, and Marie to meet the press. Gloria . . .", and he kept repeating it right through the afternoon. He wasn't going to make any mistake, even if the monotonous refrain did make it a little difficult to concentrate on other matters.

At ten minutes to eight everything was done that had to be done. Benny sat back in his chair to enjoy a brief respite before going out to greet the press.

At five minutes to eight his phone rang. He picked up the receiver and barked into the mouthpiece, "What do you want?"

It was Mr. Gimbel, big boss of Famous Films. Benny's tone underwent an abrupt change.

"Yes, Mr. Gimbel?" he asked very politely.

"You've got everything arranged, Benny?" Mr. Gimbel enquired anxiously. "You're sure? The Face? The Freckles? Flossy?"

"Everything's arranged, Mr. Gimbel," Benny said, "as always. I'm just waiting here for Miss Flack now."

"That's fine, Benny," Mr. Gimbel said. "I just wanted to make sure."

"Don't you worry, Mr. Gimbel," Benny said.

As he hung up, Miss Porter, his secretary, came in.

"Is she out there?" Benny asked.

Miss Porter nodded. "She just arrived."

"Good." Benny sighed deeply, conscious of a tough job well done. "How many has she got?"

Miss Porter looked at him queerly. "How many what, Mr. Carstairs?"

"Freckles," Benny said, suddenly ice-cold.

Miss Porter looked even more puzzled.

"Freckles, Mr. Carstairs? Freckles?" She scratched her head. *"Flossy?"*

• •

ASSESSMENT

WHEN I was feeling mighty blue
It was my luck to meet with you;
And for a while, my dear, at least,
Worry and discontentment ceased.

You were my antidote for woe,
My pick-me-up, but now I know
How much more wise it would have been
If I had taken aspirin.

J. E. P.

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Double Reward
from Kodachrome Film in your miniature camera
Projection: your projected Kodachrome transparencies are the "show window" of color photography.

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Daylight
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Prints: your Kodachrome Prints are fine examples of full-color printing.

"GRAND COLOR SHOTS"... 'most any winter day offers them with Kodachrome Film in your miniature camera... whether winter keeps you indoors at home or takes you far, far away.

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Canada's High Living Standard Result of Free Enterprise

Says President Mutual Life of Canada

Wise Planning and Spending Will Help Control Inflationary Trend—Character of People Nation's Real Wealth and Hope

MUTUAL LIFE OF CANADA AGAIN ESTABLISHES RECORD

Professional standard of service given by Company's representatives.

Waterloo, Ont., Feb. 5th.

Stating that vigilance and wise spending on the part of all citizens is essential to prevent the spiral of inflation in Canada, Louis L. Lang, President of The Mutual Life of Canada, when addressing the 78th Annual Meeting of Policyholders today called on Canadians to follow the practices and precepts of the pioneers in order to help overcome the difficulties that today face Canada and other parts of the world.

Mr. Lang stated that existing signs indicate continued high volume of production, distribution and work for Canadians in supplying goods needed not only at home but particularly in devastated countries. With a continuation of free enterprise, so dearly bought through the years, and its benefits of freedom of action and personal initiative, and a continuing recognition of the importance of real standards and values, Canada should be able to meet and overcome any problems of the future, stated Mr. Lang.

Referring specifically to the progress of The Mutual Life of Canada, he pointed out that for the second year in succession sales of new life insurance exceeded one hundred millions, the Company operating almost entirely in Canada and Newfoundland.

A condensation of Mr. Lang's address follows:

MUTUAL LIFE PRESIDENT

Louis L. Lang

President of the Mutual Life of Canada, who addressed the 78th Annual Meeting of policyholders, held at Waterloo, on Thursday, February 5th.

Life Insurance Combats Inflation

There can be no national stability without a sound economy and the greatest threat to the orderly resumption of peacetime conditions lies in the continuing upward trend of the inflation spiral.

This is caused partly by the pressure of an inflated national income to secure possession of an insufficient supply of products. The quickest and surest method of relieving this pressure is to syphon as much of the national income as possible into channels other than the purchase of commodities. The largely increased amount which is being entrusted to life insurance companies accomplishes this object in a substantial, effective and permanent form.

Professional Standards of Service

The distribution of life insurance is no longer merely the selling of a commodity, but has become a professional service, making provision for financial security, individual, family and business, covering not only the hazards of today and tomorrow but also extending into the years which lie beyond. The adequate training of field representatives requires not only thoughtful direction from the Home Office but concentrated application and serious study on the part of managers and agents in the field.

Comprehensive Benefits For Industrial Workers

In giving attention to the steadily rising needs of humanity generally, it is only natural that life insurance should extend the scope of its operations to include in greater numbers industrial workers. Recent years have seen a marked development of group insurance, based on the employer-employee relation, which enables us to provide insurance coverage at a lower cost than is possible under individual solicitation and collection. The group life coverage we provide now exceeds $65,000,000 and is growing rapidly. In addition, our group contracts provide benefits for employees other than life insurance, such as protection in the event of accident, sickness or disability, and provision for the cost of medical care, surgery and hospitalization. Retirement and annuity benefits are also furnished in very many cases.

Mortgage Loan Investments Increase

It is gratifying to note a substantial increase in the Company's mortgage loan investments. As in the past, we are continuing to take an active part in National Housing Act projects. Our investment interest in Prairie farms is now but a fraction of what it formerly was. We continue to make this type of investment but find the demand for farm mortgage loans is limited. The enjoyment by farmers of a comfortable living, with something to spare, is so important to our Canadian economy that I hope this condition will continue.

High Demand For Manufactured Goods

In Canada, production in manufacturing, agriculture, mining, lumbering and fishing should continue at high levels during 1948. Most countries are without luxuries or even comforts, and many are still short of the necessities of life. Their peoples require immense supplies of food, clothing, furniture, and many other manufactured articles. The damage done by the war to material things, such as buildings, factories and transportation systems, is replaced only to a small extent. Vast amounts of machinery, building materials and tools, are needed to complete this task. The forests and the mines must continue to supply raw materials.

Most Canadian factories are still behind with their orders, owing to the accumulated demand for their products. In Canada, we are trying to do two things simultaneously. We are narrowing the gap between the needs of the people of our own country and the available supplies of all kinds. In addition, we are exporting quantities of food and goods to many countries on the greatest scale in our history. There are many indications that this double task will be continued.

Signs Indicate Busy Future

All existing signs indicate continued high volume of production, distribution, work and business for the people within the boundaries of this country. How long this situation will last is a matter of intense interest and consideration, but is quite incapable of definite prediction.

Patience Required With United Nations Progress

There is widespread disappointment that the international machinery set up by the United Nations has not produced better results. Its achievements to date are definitely below what was expected. The magnitude of the task must be taken into account. At best, what degree of world government could have been attained in less than three years? Wisdom, courage, patience and tolerance are needed to achieve even small measures of success in so vast an undertaking.

In spite of difficulties, some progress has been made during the year. In the meantime, Canada, vitally affected by external decisions and events, must take an intelligent interest in world affairs and co-operate with other countries dealing with them.

Scarcity of Goods and High Demand Help Create High Prices

Prices are still rising and, unless something unforeseen interferes, they will probably continue to rise for some months. There is nothing strange about this. Prices always rise during and after a great war. In war, enormous numbers of men and women are taken away from their regular work and their energies are transferred to the armed service and to the temporary occupations required to supply these services. Large numbers lose their lives or are badly injured. Great damage and loss are inflicted, not only on the combatant nations, but on all the rest of the world. These terrible and accumulated disasters, combine to create and maintain scarcities of all products. When products become scarce they become dear and they stay dear until scarcity is replaced by plenty through the revival of production. Articles became more scarce than was necessary during the past two years because of the very human desire of people, following the austerities of war, to spend their money, of which they had considerable amounts on anything that they could get. With many eager seekers for inadequate supplies, prices were bid up unduly. We would be in a better position today if we had exercised more restraint since the end of the war. If we do not practise self-denial where possible, the well-meaning but heavy and inept hand of government will force action which, in the end, is only too likely to do more harm than good.

Security For Workers

Wages are, of course, the great factor in costs of all products and services. Fortunately, there are encouraging signs that many wage and salary earners are getting tired of chasing the spiral upward and are placing greater value on the advantages of steady employment and lower prices for the things which they have to buy. They are realizing also that their best hope of security is the creation and maintenance of wage and work schedules which will keep plants in constant operation and in a sound financial position.

Socialist Theories In Operation Bring Loss of Liberty and Opportunity

The history of the world shows that socialistic theories when put into effect on a large scale can be maintained only by police state methods, dictatorship, loss of liberty and opportunity and degradation of the people resulting in a reduced standard of living. Contrast such conditions with the record of what Canadians have achieved. With a very small percentage of the world's population, Canadians stand high in progressive attainments in religion, education and social welfare, and also in material fields, which have provided one of the highest standards of living in the world.

This has been achieved to a great extent by following the policy of free and individual enterprise which provides opportunities for all.

Two years ago, many in high places in Government, labour and even in industry in the United States and also in Canada predicted serious unemployment immediately following the war. They said that millions would be without jobs. They used this statement to demand and to secure immediate change in the work week from 48 hours to 40 hours or less. They even stated that the real problem was to learn how to live 50% better, while working less. They apparently feared over-production. The results of the last two years have proved how wrong these poorly-informed prophets were. Perhaps if they had been permitted to do all the planning for us, we would have had less employment; and certainly even less production.

Excessive Inflation Must Be Avoided

The people of the United States and Canada have never known such apparent prosperity as they witness today. There never has been such a large national income though our dollar is seriously depreciated, nor such an immense production, nor so much work at high wages. Part of this situation is due to the strategic position they occupied during the war, their freedom from invasion and destruction and their immense reserves of men, machines, materials and food. But part of it is due to inflation, which, in the nature of things, is artificial and temporary. Inflation in Canada, however, serious as it is, is really slight in comparison with the degrees of inflation which have swept through other countries during and since the war. A moderate inflation is not an unmixed evil. To some extent, it is a punishment for past errors and a remedy for their results. But we must make every effort to avoid following the road of excessive inflation to the extreme degree which would diminish greatly or wipe out property values, and would reduce much employment and real incomes in all fields of Canada activity.

Problems of Exchange and International Balances

One of our chief problems is financial, which is a direct result of international developments. Briefly, we are not getting paid for the greater part of the products which are being sent out of this country to other countries and it is problematical if we ever will be paid for considerable quantities of these goods. Such goods have been erroneously described as exports but they are really nothing of the kind. Real exports, as we have always understood the word, are goods which are handled in the ordinary channels of trade and are paid for. This is responsible for the very serious problem of exchange and international balances which is now concerning the people of Canada and will be a matter of grave moment for them until it is solved. Let us remember that one of the causes of rising prices is our help to other countries. We must continue to do our part in helping other countries because that policy is right and also because it is wise. The Marshall plan should help Europe, South America, the United States and Canada when it is put into operation. We should co-operate with this plan to the limit of our ability but, while doing this, we should realize that our own problems will be solved chiefly by our own thinking and efforts and act accordingly.

Vigilance and Wise Spending Necessary

The people of Canada, as in other countries, are in the shadows of uncertainties but this is a very dangerous world and catastrophes are many and unexpected. It would be dangerous to regard the swollen statistics which have been appearing during the past few years as indicating a normal state of affairs. They have created an inaccurate impression and are partly responsible for the spectacles of waste and extravagance which are all too evident in the United States and Canada. Some people have been throwing money about recklessly. Their minds appear to be filled with material things as though they are under the impression that, because they are handling a lot of paper money, they have arrived at a state of permanent prosperity.

Co-operation in all Spheres Required of Canadians

In the present year, let us work hard as individuals, following the precepts and practices of our ancestors and improving upon them. We should support and co-operate with our governments, Dominion, Provincial and Municipal, which in their turn should leave us free to do so, and also with the governments of other countries and with the United Nations. Canadians should strive to increase production, to maintain employment, to improve social conditions, to develop new sources of supplies from our national resources, to encourage suitable immigration, to reduce unnecessary public expenditures and debts, to withhold capital public works for periods of lesser activity, and to be vigilant and wise in all public and private business.

Strengthening of Spiritual Values Essential

Most important of all, Canadians should uphold the conception of spiritual values. Materialistic philosophies perish with materialistic nations which they have misguided. The characters of peoples are their real wealth and hope. Two world wars and the intervening world depressions were severe tests of fortitude but the people of Canada endured and won through and if Canadians continue to attach due importance to real standards and values, they should be able to meet and overcome the problems of the future, whether they arise from disaster or prosperity.

Statements Analyzed And Progress Reviewed By Mr. W. H. Somerville, Vice-President And General Manager

When analyzing the Statements for 1947, Mr. W. H. Somerville, Vice-President and General Manager, stated that the Company's Assets had increased during the year by $18,445,600, to a total of $305,238,278. Surplus Earnings, which constitute the source of premium refunds, or dividends, to policyholders, were very satisfactory at $5,432,440. A total of $4,194,200 was paid in Dividends to policyholders in the past year. Included in the Liabilities is provision for payment of Dividends to policyholders in 1948 amounting to $4,500,000, an increase of $250,000.

The Unassigned Contingency Fund was increased by $988,240 to $13,403,713. This sum, with the General Investment Reserve of $3,500,000, represents 5.54% of Total Assets.

Interest Income

Interest Income amounted to $10,883,673, an increase of $347,410 over 1946.

Policy Loans

Policy Loans represent 5.89% of Total Assets and total $17,985,178.

Rate of Interest

The gross rate of interest earned on invested assets was 3.84% as compared with 3.96% in 1946.

Mortgages and Sale Agreements

Mortgages and Sale Agreements at $38,529,492, an increase of $6,197,374 for the year, now comprise 12.6% of Total Assets. At the end of 1947 total City and National Housing Act Loans were $27,982,018 and $8,816,760 respectively. Mortgages on farms amounted to $1,730,713. The amount invested in National Housing Act Mortgages increased by $2,608,266 and comprise 22.9% of the mortgage portfolio as compared with 19.2% a year ago. 3,255 new mortgages, amounting to $12,474,094, were accepted in 1947.

Bonds

Bonds comprise 75% of the Company's Total Assets and amount to $228,893,670. Dominion of Canada Direct and Guaranteed Debentures increased by $3,232,758 to $172,913,896; other Government, Provincial and Municipal Bonds increased by $6,699,345 to $40,752,910 (a large part of the increase being purchases of U.S. Treasury Securities) and Public Utility, Industrial and Other Bonds total $15,226,864.

Stocks

Holdings of Preferred and Common Stocks increased by $284,002 to $7,880,959. The market value of the Company's Common Stocks was slightly more than a million dollars greater than the Book Value.

Amounts on Deposit

Policy Proceeds, Dividends and Other Amounts on Deposit with the Company amount to $45,824,388, an increase of $3,662,239 over a year ago.

Death Claims

General mortality experience was very favourable, the ratio of actual to expected mortality being lower than in 1946, but there was an increase in the actual to expected Double Indemnity Claims in 1947. A sharp increase in accidents as the cause of death was reported.

Terminations

Of the total of $909,381,458 exposed to termination during 1947 actual terminations from all causes amounted to only $32,126,721 or 3.53%. Mr. Somerville pointed out that one-third of the Terminations each year result from Death Claims, Maturity of Endowments, or Term policies completing their period of coverage; one-quarter are caused when policy holders claim their cash values. The remainder represent policies continued in force for short periods of a few months to under two years and then terminated for various reasons; it was pointed out that the erroneous impression is sometimes given that these "lapses" represent a loss of the face amount of the insurance to the persons to whom the policies were issued. The loss incurred is limited to the premiums or the fractional premiums paid less the value of the large amount of protection furnished. The Company endeavours to keep lapses—and surrenders also—to a minimum through increased attention to the quality of business written.

Mr. Somerville said: "The efforts of our field men in endeavouring to keep business in force are made more difficult by those persons who urge that it is better to give up higher-premium insurance, re-invest its cash value and buy term insurance for protection. Certain articles have been written advocating the purchase of term life insurance to the exclusion of all other plans. For temporary needs term insurance is very useful; but as protection of a temporary character for a period of from ten to twenty years, term insurance may be expensive as compared to other permanent plans which may be surrendered when no longer required. The criticism of permanent plans is, however, usually based on unsound arguments and charges are made against the good faith of life insurance companies in the treatment of other than term plans. As these charges are without foundation, the comparisons which are made do not indicate the true advantages or disadvantages of either. One such argument is that on the death of the assured the cash surrender value should be paid in addition to the sum assured; but in calculating premiums the cost each year is based on the face amount of the policy less the reserve, so that no greater premium is charged than is necessary to pay the sum assured at death, and not the sum assured plus the surrender value, which is based on the reserve. The cash surrender value is the alternative settlement which an assured person has the option of taking if he does not wish to continue an endowment policy to maturity or one of the life plans until death."

Expansion of Life Insurance

Regarding the expansion of life insurance, Mr. Somerville said that the years since the beginning of World War II have seen a steady expansion in most lines of business, and life insurance has followed this general trend, but a comparison of the total amount paid as premiums in Canada to all life insurance companies with the total of personal income payments in Canada published by the Dominion Bureau of Statistics shows that the ratio decreased from 5% in 1938 to 2.9% in 1945. The necessary figures are not available for 1946 and 1947 but estimates indicate only a slight raise in this ratio. Thus, a much smaller portion of the earnings of Canadians is now put into life insurance than was the case before the war. Higher income taxes and the placing of savings in government securities may account largely for the decrease. It seems to indicate, however, that life insurance is not in advance of, but perhaps a little behind, the general expansion; the increase in population, the large number of new families and the rise in the cost of living all create new needs for insurance protection.

THE BOOKSHELF

CONDUCTED BY HERBERT McMANUS

Bates' New Novel Is Very English Also It Is Vital and Very Good

THE PURPLE PLAIN — by H. E. Bates— Ryerson — $2.75.

IT IS somewhat amazing that a book, so completely English in feeling and structure, should be found sharing a place, albeit a modest one, in the current American best sellers list. It is pleasing to think that, for all this Englishness and for all the conglomerate diet of these American lists, there is a transatlantic appreciation of forceful imagery conveyed through good, spare writing. Bates has been a somewhat prolific producer but it is significant that the quantity has not let the quality down.

The air-minded author of the successful (in England at least) "Fair Stood the Wind For France" returns to the R. A. F. for the protagonist and setting of his new novel. The campaign, which however only hovers in the background, is the little-known one of the re-occupation of Burma; the people, service types and civilian alike, are those who have had an ample stomach content of war both in its boredom and savagery. Squadron Leader Forrester had had his wife killed in his arms in a London air raid. After that he had only wanted to die in the air, but there he was in Burma with the war still going on, although approaching its end. Forrester was just about approaching his own psychotic end as well, but he didn't know that.

Forrester shared the same tent, during the unbearable heat and more unbearable waiting, with the careful, methodical, regular-home-writing Blore. Lying on his camp bed he contemplated with increasing hatred the impeccable personal habits of his companion—a feeling not unknown both to those who have shared cramped quarters with many others but, as well, to those who can object to the tooth-brush habits of a single companion. Forrester's unreasoning dislike took itself out in rudeness, a rudeness bitterly extended to his long-awaited navigator, just out from England and reporting for duty. But Flying Officer Carrington had been warned; he knew what it would be like to serve under Forrester and he had dreaded the meeting. It was just about as unwarrantedly brutal as it could be. And it was the same with Forrester's rigger and fitter, both of whom welcomed a long-overdue posting away from the station.

Taking an Interest

When the Senior Medical Officer began to take an interest in Forrester's life everyone knew what was going on except the Squadron Leader. But before long Forrester was taking an interest himself—in the native village, in the missionary survivors of the long trek before the Japanese and in the beautiful Burmese girl from Rangoon. Before long Forrester had discovered that he did not want to die. But there was still a war on.

It was inevitable that Forrester and Carrington and Blore should crash together in the dried-up jungle and that Blore should have the only water bottle or revolver. What happened to Blore and how, after days, Forrester brought out the badly-burned Carrington is something to be read for its stark record of the triumph of character and endurance. It is notable survivor-reporting in stark, potently written realism; it is also a revelation of how the English, under such stresses, revert to a whimsy which is not readily understandable to other tribes. It is also a tribute to Bates' mastery of narrative that this whimsy is not allowed to mar, for these others, the pace and interest of the story.

"The Purple Plain" is an eminently readable novel for the reason that glowing description and realistic dialogue combine to get the reader inside both the country and the people of the tale. The incident of the air raid on the native village is an outstanding piece of writing in that it contrives, out of a relatively minor affair, to convey all the terror and sensation of similar and greater events elsewhere. This novel follows the traditional pattern in a sense, complete to happy ending, but in the meantime it achieves a vitality which merits for it a very wide circle of readers.

Songs and Scalps

By J. V. McAREE

PAULINE JOHNSON AND HER FRIENDS —by Walter McRaye — Ryerson — $3.50.

SATURDAY NIGHT was the first, or one of the first, to pay Pauline Johnson anything for a poem — $3 for her famous "The Song My Paddle Sings"—and it was for SATURDAY NIGHT that she wrote her last poem, published here several months after her death. This journal, therefore, should have a special interest in anything concerning this gifted woman.

Walter McRaye who toured with her for several years, as a recitationist, has now told what he knows about Pauline Johnson. The book is in no sense a study of her prose and poetry, though liberal selections are given. Literary criticism is markedly absent; this is an account given by a friend and admirer. Nor does it tell us anything of Pauline Johnson's inner life.

Its chief value for people of this generation is the catalogue of distinguished names in Canadian art and letters some forty years ago. There are also incidents concerning some eminent Englishmen and Americans. The present reviewer learns, for instance, that Pauline on her mother's side was a connection of William Dean Howells. There must be few names missing of Canadians who were professional entertainers or writers during the period of Pauline Johnson's lifetime. The catalogue will in this sense be invaluable for any future historian of the stage and concert hall in Canada about the turn of the century. But as we have said there is no attempt at an interpretation of the half-breed poet, either as artist or as woman. The writing is pedestrian, and not free from errors. But nearly everybody mentioned in the book is dead by this time, the last of them being the author himself, who passed on in 1946.

The one thing we read in Mr. McRaye's book that we shall never forget is that Pauline, in her most formal lecture platform attire, wore at her belt a couple of Indian scalps. Such a woman would have been well worth the study that the author fails to give her.

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78th ANNUAL STATEMENT

Year ended December 31, 1947

INCOME		
Premiums for Assurances	$24,944,034.97	
Consideration for Annuities	2,086,200.86	
Interest, Dividends and Rents (after provision for possible future losses)	10,883,673.45	
Consideration for Settlement Annuities arising out of assurance policies	1,093,832.21	
Policy Proceeds, Dividends and Other Amounts left with the Company	6,218,627.62	
Net Profit on Sale of Ledger Assets (after applying $2,186,653.95 to reduce book value of securities to stabilize future interest yields)	237,629.29	
		$45,463,998.40
EXPENDITURES		
Death and Disability Claims	$ 6,665,989.13	
Matured Endowments and Surrender Values	4,975,064.96	
Annuity Payments	469,155.66	
Policy Proceeds, Dividends on Deposit and Other Amounts Withdrawn	4,747,443.60	
General Expenses and Taxes	5,897,254.65	
Amount written off Head Office Premises	50,393.38	
	$22,805,301.38	
Increase in Policy and Staff Pension Reserves and Amounts on Deposit with the Company	17,226,256.85	
		$40,031,558.23
SURPLUS EARNINGS FOR YEAR		$ 5,432,440.17
Deduct:		
Dividends Paid or Allotted to Policyholders	4,194,200.09	
Increase in Provision for Dividends payable in subsequent year	250,000.00	
		$ 4,444,200.09
TRANSFERRED TO UNASSIGNED CONTINGENCY FUND		$ 988,240.08

LOUIS L. LANG,
President

W. H. SOMERVILLE,
Vice-President and General Manager

FEATURES OF 1947 PROGRESS

New Assurances Paid for in 1947	$109,042,828
Total Assurances in Force on December 31, 1947	937,404,062
Total Assets	305,233,411
Total Payments to Policyholders and Beneficiaries	16,304,410

THE BOOKSHELF

The Big City Steals the Show From Its Unhappy Denizens

By JOHN H. YOCOM

EAST SIDE, WEST SIDE—by Marcia Davenport—*Saunders*—*$3.50.*

WHILE recounting the postwar perplexities of a socialite wife, Marcia Davenport has made the city of New York almost a primary character. The sights, smells, sounds foods, shops, streets and avenues are reported with such fine perception and with such precise notions of what to talk about that they outpace in interest the love affair, which alternately, burns under forced draft and is choked by sudden dampers.

In the fall of '45, Jessie Bourne, an intelligent, sensitive, wealthy woman in her late thirties who has grown weary of her philandering husband, meets and falls in love with a serious U.S. Army brigadier. He is fresh from war-working with Czech partisans. With considerable taste (bedroom details are kept to a minimum) but a disturbing lack of humor, the romance is developed within a single week. In a fuzzy bit of idealism, the brigadier takes ideological side trips, accompanied by Jessie, to the city's foreign sections. Here Jessie finds simple goodnesses and a culture that are missing from her life in the East 70's. But at week's end duty calls the general back to a career of good works in burnt-out Europe. Jessie is left in her luxurious boudoir with memories. The reader is left with that upbeat, hanging-in-the-air feeling, exploited rhetorically by soap operas: Will Jessie follow Mark? Will Mark return in time to save her from further frustrations? Can Mark help Europe pick itself up? All this and pictures of a naked city too!

We liked the pictures best — of the colorful word snapshots of the city, of greedy, reckless, easy-spending and phony New York life in the first phase of war's aftermath. In catching atmosphere, at her best Miss Davenport approaches Thomas Hardy; in her love story, at its worst she rubs shoulders with Fanny Hurst. Secondary characters seem more convincing than the leads: the effete upper crust from brownstone fronts; those who have come from other parts of the U.S. and won in New York; well-assimilated second and third generation immigrants as well as unmeltable portions of the pot. The city is an animal kingdom where sleek male wolves pad around from cocktail parties to nightclubs and expensively gowned female tigers meet with open cruelties in social jungles.

Davenport fans will probably notice that the book has a suggestion of the autobiographical. Marcia Davenport's own days on upper West Side were lean for a while but they became easier after her mother (Met soprano Alma Gluck) became a famous opera star. "East Side, West Side" is currently only once removed from the top of the American fiction best-sellers list.

The Early Days

By CLARENCE HODGE

HISTORY OF AGRICULTURE IN ONTARIO, 1613-1880 — by Robert Leslie Jones—*University of Toronto Press*—*Saunders*—*$4.25.*

THERE have been any number of books of fiction dealing with pioneering days in Canada, but few if any books give in broad outline the history of that time down to the latter part of the nineteenth century.

Canadian writers qualified to prepare such a history have apparently felt the Canadian reading public lacked interest in the story of the events through which the wild and wooded lands of the Indians were gradually converted into the well-tilled and stocked farms of today. Robert Leslie Jones, Professor of History, Marietta College, Marietta, Ohio, Canadian-born and Canadian-educated, at least in his younger days, apparently does not agree. Probably because he has seen the interest displayed by the people of the United States in the agricultural history of their native land, and feels that given a similar opportunity Canadians would show an equal response.

To any Ontario born boy who would like to know something of the story that lies behind the development of his native province, "History of Agriculture in Ontario, 1613-1880" will bring him descriptions of many things not to be found in current history books or works of fiction. And for the adult who wishes to enlarge his knowledge and check his earlier formed impressions, the references are well documented and indicate painstaking and extensive research.

It will come as a surprise to many to learn: that Ontario was once a heavy exporter of wheat to Britain; that the rebellion led by William Lyon Mackenzie was largely supported by farmers opposed to the removal of tariff duties imposed against United States farm products entering what are now Quebec and Ontario.

The history deals with early agriculture as practised by the Indians, with the coming of Champlain, later of the U. E. Loyalists and other settlers from Great Britain, trade, tariffs and preferences, grain growing and dairying, and in such human and entertaining fashion as the following, which the author quotes from an issue of "Ontario Farmer" dated 1870. It referred to the fact that dairying and factory production had advanced in Oxford county to a point where few cattle were being produced for beef and, said the O. F., "calves with a lean and hungry look, called in this section of the country, 'factory calves' may be the result of cheesing them out of their milk!"

ROBERT LESLIE JONES

That the volume brings the reader of history only to 1880 may be suggestive of a later volume but the author says this date was chosen because "the province had then become adjusted to the effects of termination of reciprocity with the United States; wheat acreage had reached its apogee and the wheat-growing industry was about to decline, and dairying, livestock raising, and fruit growing had become soundly established."

Fighting Bankers

War Service Records, 1939-1945. (The Canadian Bank of Commerce, 1947). Most of this volume is given over to biographies of every member of the staff of the bank who served in the armed forces. There are, however, at the beginning and end some fifty pages of historical material of a general character and the volume is printed and bound in the same very acceptable style as the three earlier volumes of the Bank's history by Ross and Trigge.

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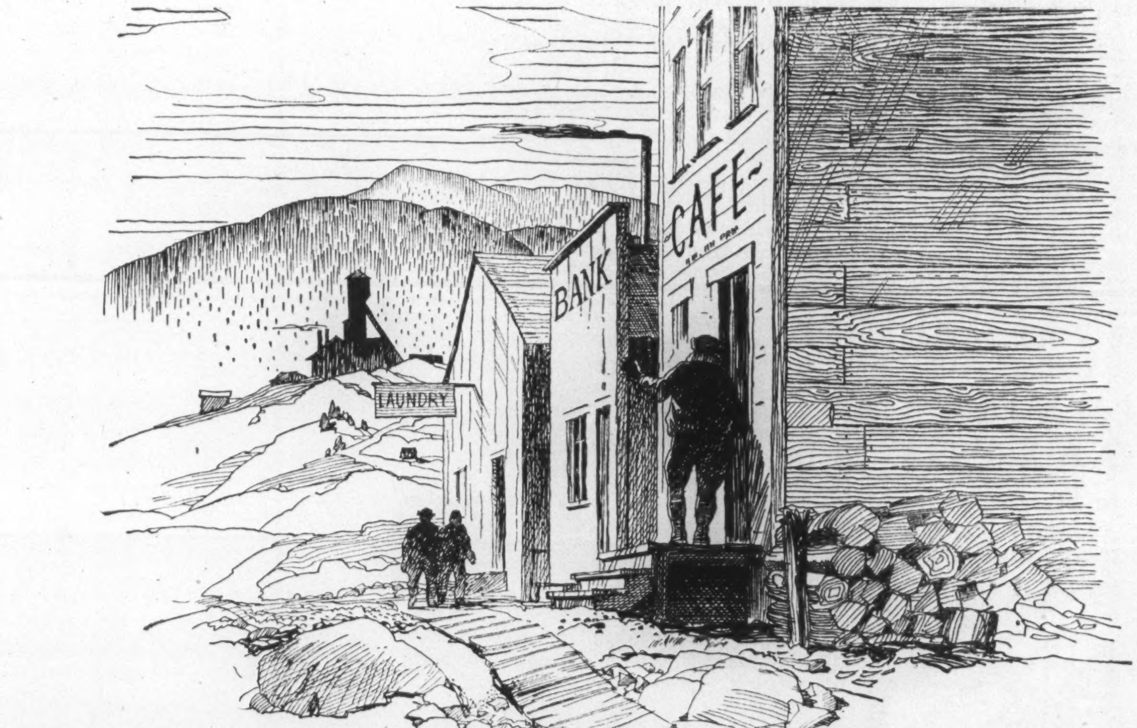

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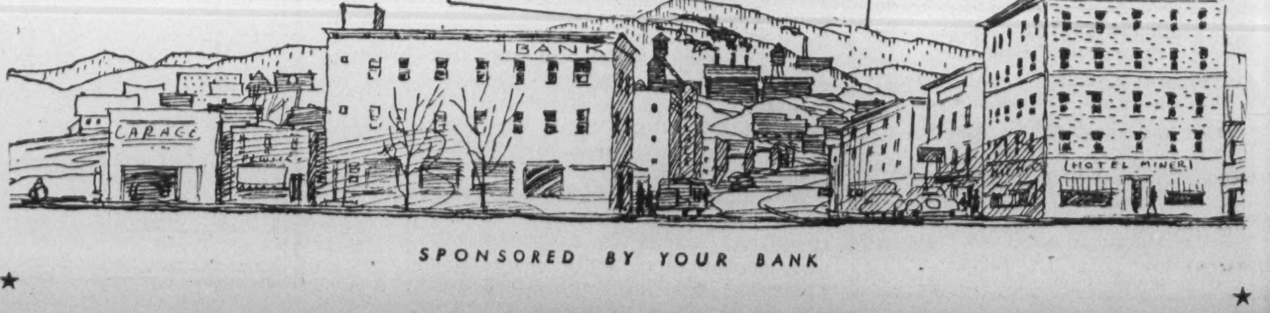

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LONDON LETTER

Communists, Like Rattlesnakes, React Noisily When Stirred Up

By P. O'D.

London.

YEARS ago an old friend of mine, who had done a good deal of prospecting in Northern Ontario, got to talking about rattlesnakes. He said there were a good many of them in some of the areas where he worked, but he didn't mind them much as long as he knew where they were. If he suspected the presence of a rattler in the bush anywhere near him, he used to make a point of chucking a stone in that direction every now and then to start it rattling. The snake he worried about was the one that didn't make any noise.

The British Government seems to be acting on a somewhat similar plan in the matter of the Communists. Every now and then it heaves a piece of rock over among the bushes where it suspects they are lurking. Mr. Attlee's recent broadcast, frankly and vigorously criticizing Soviet foreign policy, might be so regarded. So also might the warnings of Mr. Morgan Phillips, the Secretary of the Labor Party, as to the efforts of Communists to infiltrate into the trade unions. And other Socialist leaders have been doing their share in stirring up the "varmint".

The Communists have obligingly responded with a fury of rattling like a hail-storm on a tin roof. Mr. Attlee is "licking the boots" of American capitalism. Mr. Phillips is a traitor to the cause of Labor. Sir Stafford Cripps, with his insistence on the necessity of cutting down the costs of production, is really planning with the employers a general assault on wages and standard of living. And, of course, all of them and especially Mr. Bevin are busily preparing for war against Russia, at the behest of their American overlords.

No one can say that this rattling is a pleasant sort of noise to have to listen to. But it does help to remind everyone where the diamond-backed beauties with the triangular heads are lurking, and into what positions they are trying to squirm their way. Recent Communist manifestos have been serving this useful purpose as a danger signal.

Joys of the Open Road

Every now and then in wandering about rural England one comes on a gypsy encampment of a more or less permanent sort. The resident gypsies still live in caravans and tents and ramshackle huts of boards and corrugated iron, but they live there all the year round—thanks to the good nature or policy of landowners, who thus purchase protection from casual marauding, and ensure a handy supply of extra labor when they happen to need it, as at hopping-time, for instance.

On a fine day these encampments often give a very gay and picturesque—and quite misleading—idea of the romantic charm of gypsy life. But when the wintry winds do blow, and the rain drives, or the chill mist shrouds everything in gloom—well, it is another story entirely. Then the impression of horrible squalor and misery is so oppressive that sympathetic observers can only take refuge in the reflection that this is the sort of life gypsies are used to, and that it can't be as bad as it looks or not even gypsies could stick it.

The committee appointed not long ago to look into the conditions of life among the gypsies of the New Forest, where they are numerous—and a good deal of a nuisance—has now brought out its report. The committee is apparently under no sentimental illusions. It says that the gypsies are a people whose way of life "has hardly reached the standard of the Stone Age", that they are "undesirable neighbors", and that "the forest compounds can no longer be tolerated".

Lovers of "Lavengro" and "The Romany Rye" will be shocked by these harsh judgments; but lovers of the New Forest, especially those who live round about, will probably agree that the Forest would be a much cleaner and pleasanter place without those encampments. A gypsy is a nomad by nature. When he isn't nomadding, he's a nuisance. As the committee says in its report, his neighbors "suffer something more than inconvenience" from his presence; and that is putting it mildly.

Safe for a While

Dick Barton, Special Agent, is the hero of a B.B.C. serial thriller. At 6.45 p.m. precisely, nearly every day of the week, Mr. Barton finds himself in a deuced tight corner. During the next fifteen minutes he manages to get out of it by the exercise of superhuman skill, courage, and resourcefulness—only to find himself at the end of the 15 minutes in another corner just as deucedly tight.

Half the little boys of Britain go to bed wondering in delighted horror how he will ever get out of that one, and consoling themselves with the reflection that up to now he always has. And not only little boys. When some stern moralists started writing to the newspapers protesting against Dick Barton and his supposedly overheating effect on youthful imaginations, no less a person than the formidable Mr. Herbert Morrison promptly came out in his defence.

"I like Dick Barton," he said, "and I listen to him whenever I get the chance. I listen because I like it, which is a good reason for doing a thing, providing you don't get yourself into trouble. As for—", and then Our 'Erb set about the sour-pusses who have been doing the protesting.

"There are too many people going around trying to psychoanalyze other people," he said, and he advised them sternly to stop "this business of interfering." With such a defender, Dick Barton should be safe for a long time to come. Once more has that dashing and intrepid fellow avoided a sticky end.

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FILM PARADE

Henry James and Eugene O'Neill Undergo Screen Arrangement

By MARY LOWREY ROSS

OF ALL the Henry James novelettes, "The Aspern Papers" would seem to be the one least adapted to the purposes of Hollywood. It is a musing and subjective study of a special sort of literary problem—the length to which a publisher is entitled to go in obtaining for posterity the privately-cherished love-letters of a great poet.

In the Henry James version the Aspern letters are in the possession of an immensely aged Venetian lady, a once famous beauty and mistress of the poet Jeffrey Aspern. The owner herself is guarded by a suspicious and elderly niece. The task the publisher has set himself is to pry this treasure from the two inaccessible ladies and with this end in view he insinuates himself as a lodger into their dilapidated Venetian palazzo. The matter then becomes a conflict between the publisher's literary conscience, which urges that he restore the letters to the world of literature, and his personal scruples, which are of a sensitivity only conceivable to Henry James. To complicate the struggle the niece offers to surrender the letters if the intruder will accept her along with them, a situation which gives James free play for his deeply complex perceptions and irony.

To get around this situation the screen version dauntlessly turns the niece into a young and beautiful girl (Susan Hayward) who is herself in love with the dead poet's letters. It then transfers her passion, with a few routine jolts, to the visiting publisher (Robert Cummings), dumps her into his willing arms and settles the matters of the Aspern papers by burning down the palazzo, letters and all.

The task of transferring Henry James to the stage or screen is clearly a matter for experts. It is quite possible that Henry James, a great admirer of style and competence in others, would not have objected too strenuously to the brisk handling that was given his "The Sense of the Past" in converting it into "Berkeley Square." In the latter case the stage dramatists knew not only what they were about but, reasonably and sympathetically, what Henry James was about. There is little evidence however, that the screen authors of "The Lost Moment" had any such enlightened approach to "The Aspern Papers." Henry James' purposes, though often immensely involved, were always immensely lucid to himself. The authors of "The Lost Moment" on the other hand seem to have had no clear idea of the whole thing, beyond the necessity of wrenching from the novel something that might be accepted as popular entertainment. The result is merely routine entertainment which doesn't even promise to be popular. Susan Hayward, who is a competent and expressive actress when given workable material, goes through her role here with no sign of expression whatever. Robert Cummings, though serious and ingratiating, is as little like a James character as it is possible to imagine.

Director at Disadvantage

Eugene O'Neill had the living author's advantage of being able to defend his "Mourning Becomes Electra" against distortion and misinterpretation. The screen version, written, produced and directed by Dudley Nichols at O'Neill's insistence, is as faithful to its author's intention as a three-hour condensation could possibly be. It is Director Nichols who is at the disadvantage here, since he had to take a drama whose author felt strongly that he had something to say and transfer it to a medium whose first rule is that action speaks louder than words. For at least a third of its length action is sacrificed to exposition and argument exactly as in three-dimensional drama, and the result, with one dimension missing, is inevitably lifeless and flat. Later when the characters begin to move along the lines of their doom-ridden destinies—when in fact the poisoning and the shooting actually begin—it becomes magnificent, overreaching, sometimes absurd, and continuously fascinating to watch. The faults of the original—its occasional stageyness and preposterousness, its over-insistence on the Freudian theme with not one but two Oedipus fixations in the same unhappy family—are probably more obvious today than they were a dozen years ago. But the play, even when presented by shadows on the screen, retains a strange and almost frightening vitality. It is exceptionally well acted, particularly by Rosalind Russell, who, shedding almost all her familiar screen mannerisms, gives a stark and inexorable performance that is straight out of the O'Neill book.

Rosalind Russell as Lavinia Mannon, belle of 1865, and Henry Hull as her gardener Seth, in a scene from film version of Eugene O'Neill's "Mourning Becomes Electra", at Royal Alex. Theatre, twice daily, Feb. 9 to 21.

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Admirers of the type of Irish balladry that flourished at the beginning of the century will probably enjoy "My Wild Irish Rose," which rounds up every sentimental one of the period favorites, including "Tura-lura-lura," "A Little Bit of Heaven" and "Mother Machree." The picture, in technicolor as blandishing and lush as the tunes, describes the career of the late Chauncey Olcott (Dennis Morgan), as a flourishing Irish troubadour of the era. It also presents Althea King as Lillian Russell—a rather unwarranted piece of casting since Miss King's slightly pinched appearance, even when offset with an immense gilded pompadour, quite fails to support the opulent Russell legend. The various musical numbers are strung along a slight little plot considerably stretched out for their accommodation.

SWIFT REVIEW

GOOD NEWS. A remake of the popular musical of the Twenties, with June Allyson and Peter Lawford in the starring roles. Bright-colored and rather agreeably scatter-brained.

THE EXILE. Douglas Fairbanks Jr. as an acrobatic Charles II, dodging Roundheads in Holland. Familiar, highflown and rather foolish entertainment.

NIGHTMARE ALLEY. Horror story of carnival life, with Tyrone Power in an unusually impressive performance as a racketeering Yogi of the West Coast.

DAISY KENYON. Joan Crawford in another of her rich and stylish emotional dilemmas. With Henry Fonda, Dana Andrews.

TAWNY PIPIT. A gently paced but amusing English comedy which ornithologists and non-bird-lovers will both enjoy, though in different ways.

Toilet Soap

Three handsome-size cakes, long lasting because Roger & Gallet Soap is solid, hard, dry throughout. In a choice of famous fragrances.

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GOURAUD
The cream to use before the evening dance, for a well-groomed and pleasing appearance.
White, Flesh, Rachel, Sun-Tan

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MILK OF MAGNESIA
TABLETS
SWEETEN Sour Stomach
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SIMULATED

PEARLS . . . Shimmering ropes and bracelets, bibs and earrings . . . and of course your favorite, the classic single strand. Simulated pearls put the finishing touch of elegance to every Springtime costume!

JEWELRY DEPARTMENT—STREET FLOOR

Simpson's

Barbara Ann Scott

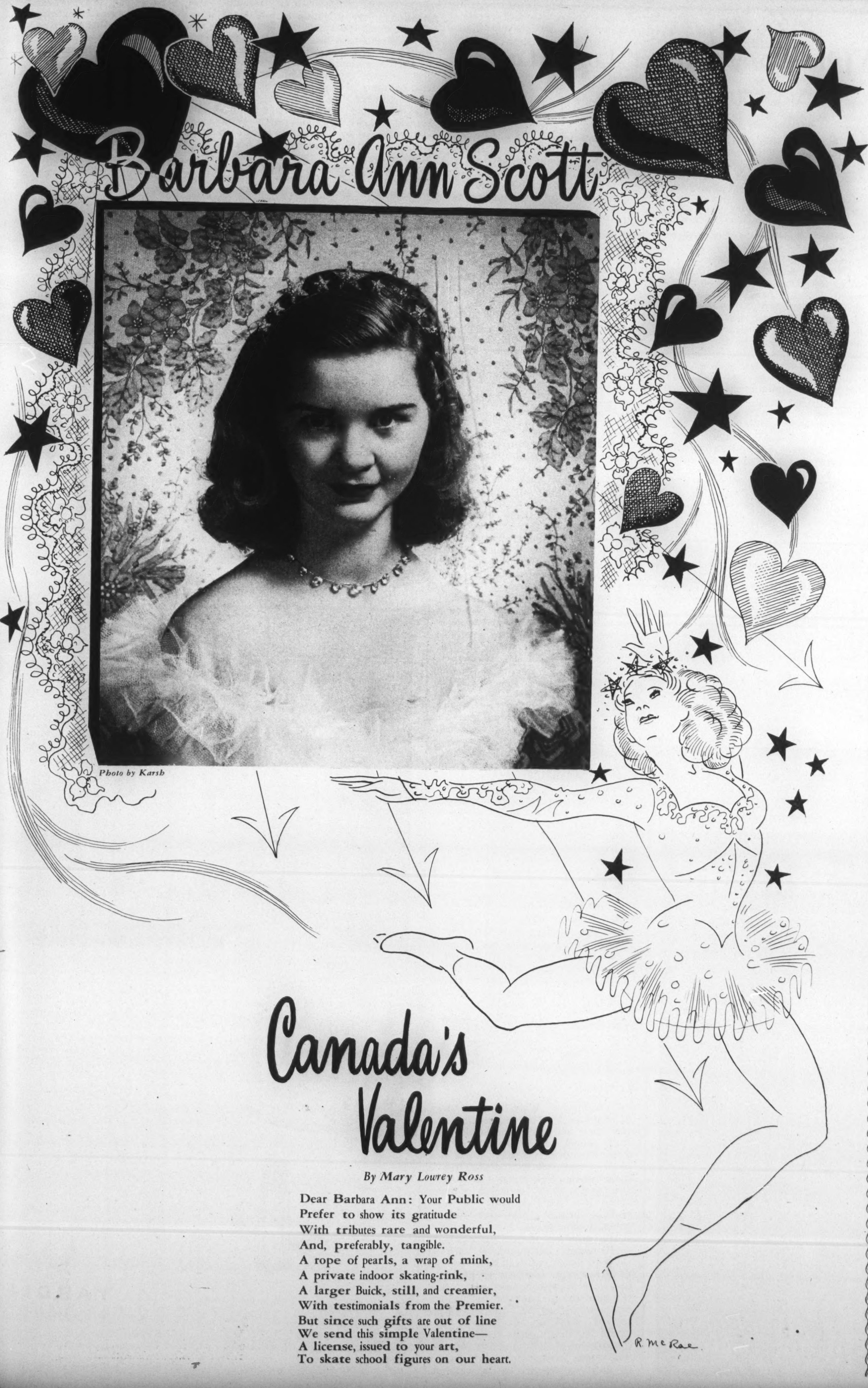

Photo by Karsh

Canada's Valentine

By Mary Lowrey Ross

Dear Barbara Ann: Your Public would
Prefer to show its gratitude
With tributes rare and wonderful,
And, preferably, tangible.
A rope of pearls, a wrap of mink,
A private indoor skating-rink,
A larger Buick, still, and creamier,
With testimonials from the Premier.
But since such gifts are out of line
We send this simple Valentine—
A license, issued to your art,
To skate school figures on our heart.

WORLD OF WOMEN

BERNICE COFFEY, *Editor*

ABROAD

Sapphires, a White Pony with a Long Tail

By MARY GOLDIE

London.

IT WAS rather desultory reading I was doing. Somehow it has been like that since the nights when reading was made impossible by the noise of falling bombs; when concentration did not exist; when only poetry could soothe the mind and keep the attention. The bad habit has continued on into this 'peace' of ours which somehow seems just as great a deterrent to concentration as the nights of horror we once knew.

But I was reading, after a fashion; in the back of my mind were floating waves of thought not exactly connected with the words before my eyes. I was thinking of Christmas and home and my family and the wonderful parcels that had been sent to me this year.

Suddenly, there before my eyes, I saw these words—and could scarcely believe them to be true, written as they were about something quite different and yet seemingly so appropriate to what I would now like to try and say. The words were (and I quote from a book whose author I hope will forgive me):

"I suspect that this longing for the unexpected arrival of the moon, or sapphires or a white pony with a long tail or similar donations towards keeping a roof over one's head is in essence no more greedy than nostalgic longing for glamour; not for the solid worth of the gifts themselves but for the way of their entrance, the rapture of incredulous amazement, the tearing open of the dull grey envelope we call today; the iridescent proof that we are not exempt from abundance and windfall."

I wish I had written those words. They so truly describe the effect of "parcels from home."

From my childhood days, the coming of the postman has always been a great moment: I have always considered, and still do, that while the postman exists so does hope. No matter how deep in despair one gets, no matter how dull the day, no matter what worries encompass one, no matter how far below one's expectations life really is,—there is always the postman and the hope of a windfall, a gift, or just a few loving words to cheer one on one's way.

In childhood, of course, it was something of a game. In adult life, it has become more than a game, it has become a reality; it epitomizes more than anything I know the fact that while there is life there is hope and while there is hope there is most certainly life.

Something Important

I think we usually take the postman for granted. At Christmas time more than any other, he brings with him excitement and anticipation and great joy and parcels from home seem to make a Christmas of all the year. In the days of the peace which we did once know, we probably didn't think much about him at all and perhaps there are people in some countries in the world today where his coming is just an ordinary, routine event. But I can tell you that, here in England in this present age and time, the coming of the postman is something very important. The disappointment and sense of letdown which comes if he passes the door is almost a tragedy. But he has no sooner gone on his way, ignoring us perhaps this once, than we hope for better luck tomorrow.

You people in Canada who are so good in sending parcels to England, ought to know what happens at this end. *I* know what *you* do—because I did it myself last summer when I was at home and sent one or two parcels to English friends.

You go into the grocery shop; you get your wire basket and you walk round, picking out what you think suitable from the multitude of things on the shelves. Perhaps you do it rather casually, because to you all those things on all those shelves are just part of the ordinary life you lead. I did it with confusion and bewilderment. confusion because there was so much and bewilderment because I knew that my friends over here would like something of everything and I just didn't know what to choose.

Another Ingredient

Well—you choose and you go to the cashier and she counts the articles on her cash register and packs them into a large paper bag. You must think, next time that happens, that we don't have large paper bags here. Then you probably take the large paper bag, filled with your purchases, out to your car and drive home with it. Think again that here we don't have cars to wait at the shops for us. That is part of another life which we seem almost to have forgotten.

At home you pack your parcel. I know what a task this is. When it comes to packing with one eye on the weight and the other on the manner of fitting everything in, that is really a work of art. You pack, you weigh, you tie, you paste with sticky paper, you address, you fill in price and contents on your Post Office form and you go to the Post Office where alas, you pay far too much for the postage. In a small place such as my native city you probably chat a minute or two with the woman who accepts the parcel and tell her the latest news of the person to whom it is being sent.

All that interest somehow gets into that parcel, despite the firm way you have done it up. I know it does—because when I open parcels packed personally the first thing which emerges is the spirit of interest and love of those who sent it. When I open a parcel sent from a shop, by order, something is missing. Not that such parcels are not appreciated and very good but, truly, there is something missing from them.

Off your parcel goes and you go home, may I say relieved to get it off your chest and feeling proud, as indeed you have every right to be, that one more material sign of Canada's love of Britain is on its way. In the smaller sense, one more sign of your love of the recipient, of your desire to share some of your good things with those of us less fortunate, is in the bag.

Forgotten Messenger

I don't know what happens next. At any rate, the parcels leave you—and they arrive in England. Just as I cannot tell what happens to them when they have left your hands, so I cannot tell what happens to them when they touch our shores and begin their overland journey here. But—the postman comes—and he brings them and that is where I come in.

The postman is just an ordinary Englishman, hard-working, honest (so very honest, with all these parcels to tempt him), anxious to please, I feel sure always imbued with something of the glamour of his calling. He is so apt to be forgotten in the joy of receiving. So it was with great joy that I read recently of a gesture by a South African woman who sends parcels to friends in this country. After all the parcels for other people, along came one addressed to "the postman who delivers all the other parcels."

My parcels are usually waiting for me at my flat when I get home from work. Occasionally I have been at the door to receive them and then the postman always seems to be happy to be bringing something nice to me personally. Usually, however, my parcel is there reposing on the table when I come in. Everyone is excited about it—and by everyone I mean the porters at my flat who take a personal interest in every parcel which arrives. I am confident, knowing them as I do, that this interest is bred of no ulterior motive but it is repaid occasionally by sharing with them some of the parcels.

To see a person's face light up with great joy when you give him, say, a tin of fat or a package of tea or a tin of meat—or anything, small or large—is something hard to believe but quite true and each time it happens to me I say to myself that it can't really be true.

I diverge—such an easy thing to do. But—I come in from work and there is the parcel on the table, waiting for me. The sight of it is enough to cause intense excitement. Then there is the quick look at the sender's name and the list of contents. It is then taken out to the kitchen and opened and one by one, accompanied by gasps of joy, emerge the good things which you so long ago (and yet not so long ago) picked out in that shop in far-off Canada. Then the contents are checked with the list, the list cut off and marked with

JOAN RIGBY
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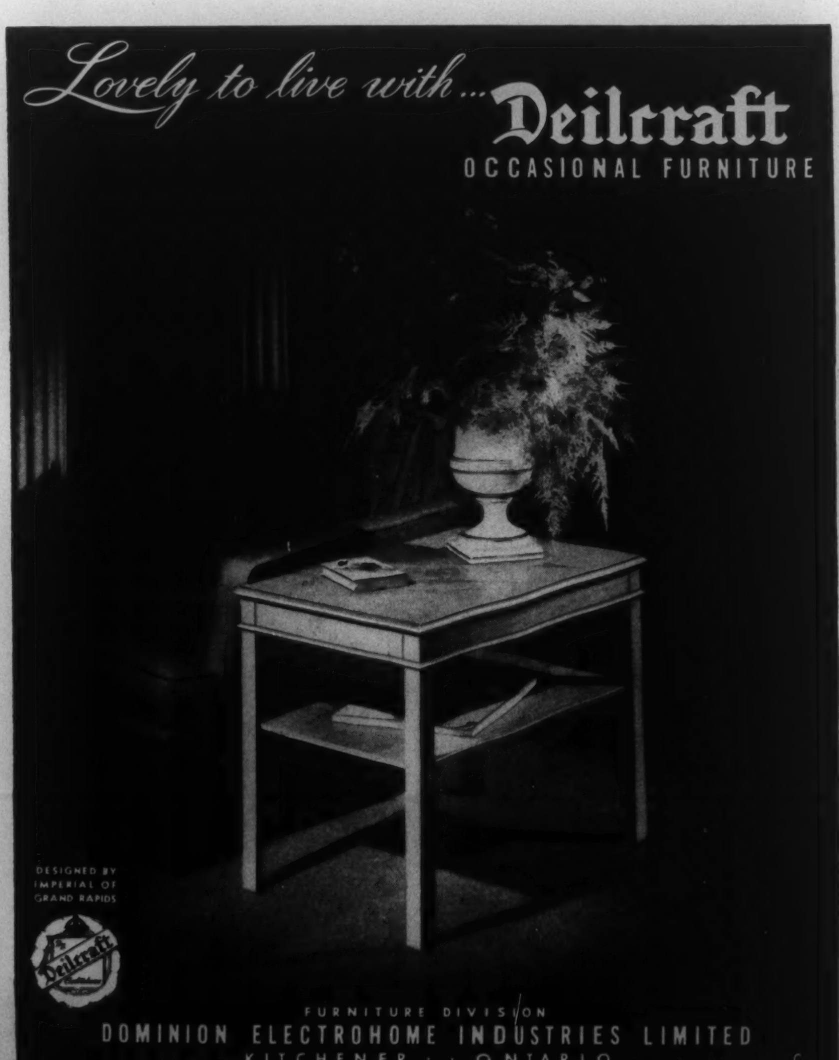
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For beauty care that proclaims you a lovely lady there is perfection in the range of
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Skin Food - $1.25, Dry Skin Cleansing Cream - $1.25, Liquefying Cleansing Cream - $1.25, Tonic Lotion - $1.00, Complexion Milk - $1.25, English Complexion Cream - $1.25, Foundation Cream $1.00, English Complexion Powder - $1.00, Lipstick - $1.25, Make-up Base - $1.25.

the receiving date and put in the letter rack for acknowledging.

Back to you who have sent it goes, in due course and I hope almost immediate course, a letter of thanks.

I personally find it increasingly difficult to find adequate words of thanks which do not sound either too casual or too gushing. It is difficult to say 'thank-you' in a way which will mean to you just what I want it to mean; impossible to convey to you in words how the parcels help out our very monotonous diet and how delicious it is to have a treat from time to time. Nor can I say how reassuring it is to see one's store cupboard safely filled against a rainy day—a day which we are being continually told is coming closer and closer.

Should I say that the joy which comes from receiving these parcels is a sad comment on our present day life, that we should be lifted to such heights by the mere reception of food? Or should I say that this joy is a happy comment on life in these days, in that it brings back to us something of the happiness we should strive to achieve from simple things? I do not know but I am inclined to favor the latter view, to wish that more happiness could be had from the simplicities of life and to be glad that such happiness comes to me so often in the midst of days which are filled with worry and dullness.

It would be splendid if I could send a large *THANK YOU* from everyone in England who receives to everyone in Canada who sends. Perhaps now you will have some idea of the joy and delight your parcels give. "The tearing open of the dull grey envelope we call today; the iridescent proof that we are not exempt from abundance and windfall."

WINTER AUSTERITY

WE CANNOT trip to Palm Beach, dear,
But why should we complain,
With fern and palm tree growing lush
Upon our window pane?

We cannot bathe at Palm Beach, dear;
Why should we care a rap?
Much warmer is the gushing stream
From our hot water tap.

We cannot loll on Palm Beach sand;
In arm chairs we'll relax
And save against that April day
We pay our income tax.

LAURA THOMPSON

FASHION

Long Skirt, Dainty Foot

By JOAN DARCY

Detachable anklet.

CLOSED shoes with an open look are the answer of Canadian shoe manufacturers to the second season of long-skirted femininity. Fewer sling pumps will be worn this spring but an airy appearance is preserved through diamond or oval cutouts in the vamp, deep V necklines, side slashings down to the shank and wishbone straps. Often the shoe seems a mere shell clasped to the foot by a slender anklet.

Daintiness prevails also in the new color schemes. Suedes are dyed in pigeon grey, Balanciago (a light cocoa), emerald green (often piped with white kid) and pimpernel red, while a whole range of pastels adds subtle footnotes to spring gayety. Most important is navy blue, ideal to combine with spring prints of citrus and mauve, or with blue flecked tweeds.

Half-Moons

If you are shopping for tailored shoes, you will like warm-glowing cognac and amber calf. Patent is back also, in either black or gunmetal finishes, very effective with grey suede. Reptile shoes are still smart and plentiful, despite rumors of a shortage of snakeskin when United States import restrictions went into effect. Apparently most Canadian manufacturers have been able to secure python boa and cobra from England.

In tailored shoes you will also find a variety of toe-shapes. There is of course the long, tapered toe, built on the new last which came into being with the New Look and whose slenderizing lines are proving even more popular this spring. Other suit shoes have square or stubby toes. One unusual shape comes straight down over the big toe, squares off, then slopes in a half-moon down to the little toe.

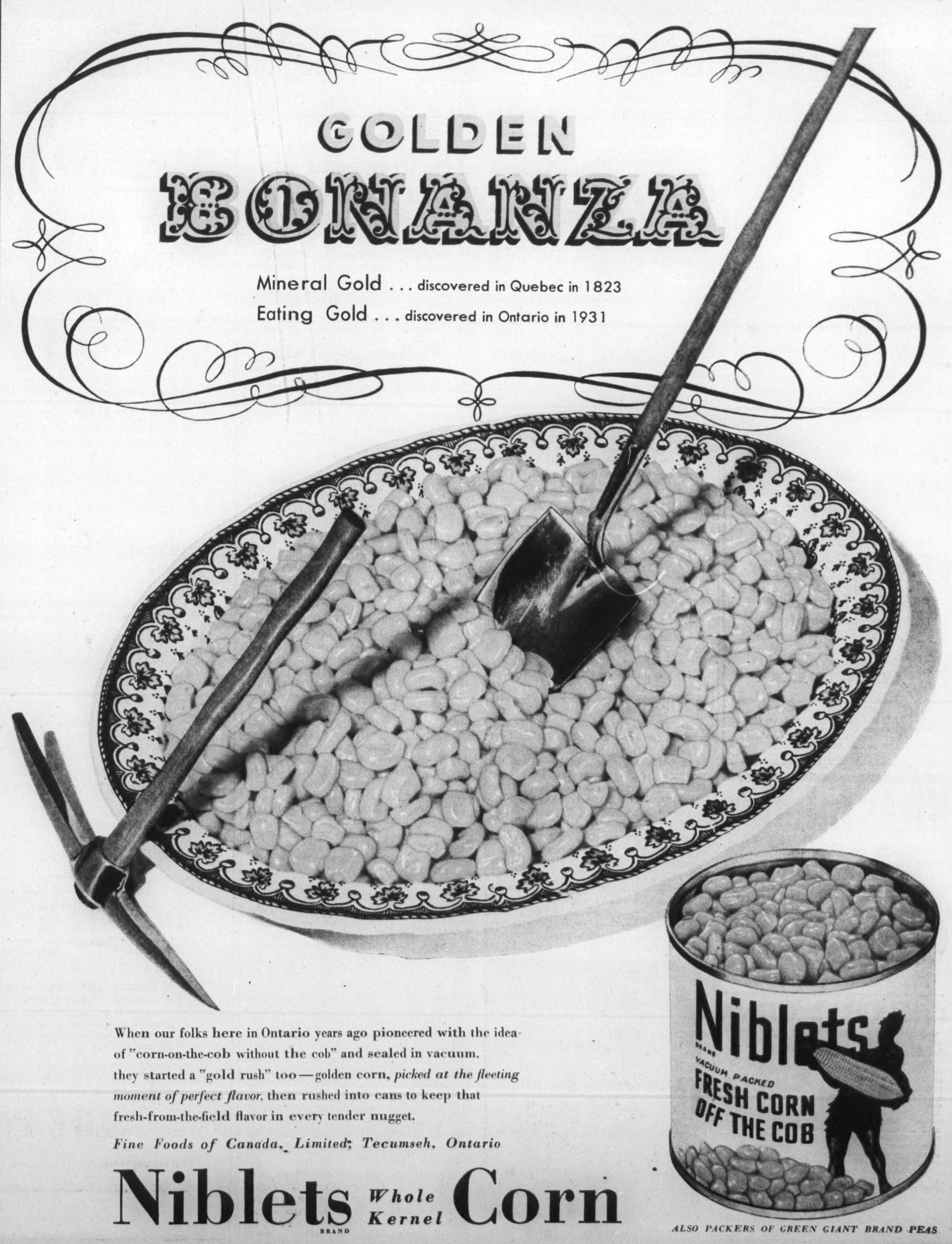
Extension soles are widely featured in walking and tailored shoes. Some are decorated with bevelled edges while others are outlined in heavy white welt stitching.

In afternoon shoes you can choose between a decollete instep or a covered one. If you have a small foot you will look well in the strap shoe, with twin bands of leather fastening over the instep. Ankle straps are for you, either buckled or knotted in a bow. One ingenious model has a removable anklet which passes through a slot at the back, enabling it to be worn either as a plain pump in daytime, then in a more dress-up version after dark. Another variation on the strap motif is a wide band of pleated lastex slung diagonally across the instep.

Golden Cones

If you wear a number 9, you will prefer the high-wrapped look, which is just as stylish and more flattering to the long, slender foot. One example of this is a bootee of brown suede with a tiny, gold-tipped cone laid across the vamp. Another high front shoe in magenta suede has a double leaf motif swept to the side and piped with white kid. The Gibson girl mood is reflected in a navy suede pump, whose high-furled cuff is trimmed with three pearl buttons.

Shoes for evening wear have high, very high heels, often emphasized by peaked or scalloped extensions soaring up the back of the ankle. Platforms are still a popular feature but in narrower widths, generally one quarter of an inch.



GOLDEN
BONANZA

Mineral Gold . . . discovered in Quebec in 1823
Eating Gold . . . discovered in Ontario in 1931

When our folks here in Ontario years ago pioneered with the idea of "corn-on-the-cob without the cob" and sealed in vacuum, they started a "gold rush" too—golden corn, *picked at the fleeting moment of perfect flavor,* then rushed into cans to keep that fresh-from-the-field flavor in every tender nugget.

Fine Foods of Canada, Limited, Tecumseh, Ontario

Niblets BRAND *Whole Kernel* **Corn**

ALSO PACKERS OF GREEN GIANT BRAND PEAS

The Tree Grows Quickly

By JOHN H. YOCOM

THE University of Toronto's motto, *Velut Arbor Aevo* ("May the tree grow"), would suit very well its affiliate, the Royal Conservatory of Music's Opera School. First came the tender shoots of operatic excerpts in December, 1946; then in five months sprouted a young tree in full foliage, "The Bartered Bride". By last December, it had filled out a little more, "Hansel and Gretel" (S.N., Jan. 24). By last Friday afternoon it had grown higher and added a few more branches, notably in more demanding characterizations and staging, when regular seat-holders of the Women's Musical Club, and Conservatory admirers generally, packed Eaton Auditorium to see von Gluck's "Orpheus".

In the Canada Packers Operatic Society's "Merrie England," at Eaton Aud., Feb. 16-21, Arthur Sclater takes the role of Walter Wilkins.

To anyone who has watched the "tree" growing, the staging-and-musical-directing team of Brentano and Goldschmidt has now a trade mark of unmistakable artistry: a welding of acting and singing (and orchestral music) that convinces with credibility and high standards. Productions have steadily shown refinement and enlargement.

With so few principals — Louise Roy in the mezzo role of Orpheus, Beth Corrigan as Amor, and Mary Morrison as Euridice — demands were concentrated but met by the girls. Miss Roy maintained a continuity of feeling in her acting from the opening aria of lament, "Thou whom I have loved", to the happy conclusion. Her voice had excellent intonation, precise diction and a fine registering of emotion. Only on occasional lower notes did it lack power. Other vocal highlights were the duet in Act II, "On my faith rely", Orpheus's bitter self-reproach in Act III, "I have lost Euridice", and Amor's lovely aria of restoration near the end.

The on-stage chorus (in the masks of Furies) and the off-stage chorus were effective commentaries in the Gluck scheme. The ballet of the underworld in Act II was well imagined and executed, while that of the blessed spirits, graceful enough for the most part, had odd flashes of woodenness. Staging employed eye-filling décor and artistic and symbolic lighting.

We doubted the value of one minor point of production economy: Act III, Scene 2, "The Path to the Upper World", was not sufficiently separated in staging from "The Valley of the Blest" in Scene I. However, in the main, there are few things that could possibly stunt the growth of the Conservatory's young tree.

Left-Hand Magic

Two other events of last week must be mentioned here, if only briefly. First was Robert Casadesus, French pianist, playing Mozart's Concerto in A Major and Ravel's Left Hand Concerto in D major with the T.S.O., Sir Ernest MacMillan conducting. The Mozart sparkled in the hands of Casadesus and the orchestra not only gave a good background to the soloist but capably turned out its own leading part with precision, fine blending and balance. But it was the Left Hand Concerto, written for the one-armed pianist, Paul Wittgenstein, that the immense resources of Casadesus were shown. Despite "Bolero" flashes, it was no trick piece and Casadesus exploited nothing in it but a set of pleasant themes and their expansion. We thought the orchestra might have warmed a little more to the climax. Some years ago Casadesus toured Europe with Ravel as a duo piano team. Other orchestral offerings were Mozart's "Eine Kleine Nachtsmusik", Respighi's "The Birds", of which only the Nightingale had dimensions more than a novelty, and Strauss's tone poem "Don Juan.

ROBERT CASADESUS

The other event was the moving performance of Haydn's "The Creation" by the recently amalgamated Bach and Elgar choirs of Hamilton of over 100 voices. With this oratorio and such fine singers, conductor Dr. Charles Peaker had an assignment he could really sink his talents into. Jeanne Pengelly, soprano; Reginald Heal, tenor; and Eric Tredwell, baritone, were the soloists. Cyril Hampshire was at the organ. Especially fine was the crystal-clear, flexible singing of Miss Pengelly, who throughout the oratorio constantly met the demands of vocal expression and range, and the chorus in "The Heavens Are Telling" with sharply defined fortissimos.

Dr. Healey Willan's two choirs at the Church of Saint Mary Magdalene, Toronto, will present their third recital of the season on Monday evening next, February 16. Being within the season of Lent, much of the music will be chosen with this in mind. It will include unaccompanied motets for the gallery choir.

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His Style and Color Had Wide Range

By JOHN COZENS

LAST week's concert by the Ottawa violinist, Eugene Kash, was a stimulating experience in the upward climb of Canada's music and musicians. Some there were who said that it was difficult to assess the performer's talent because so much of the program was new to them. While this might be true, Kash quite evidently was more concerned with presenting to his audience a wide range of style and color than with worrying over his comparative stature among concert artists. Because of this he achieved a standard of performance that was enthusiastically acclaimed by an audience much larger than usually is found attending a concert by native talent.

The first movement of Tartini's "Devil's Trill Sonata" surely won the attention of the audience right at the start. The sonorous style of his playing brought out to the full the beauty of this "Larghetto" and, while the following "Allegro" seemed to be rather hurried in many places, brilliant playing made this scarcely noticeable. For the first Canadian performance (according to the program) of a Sonata by Francis Poulenc there seemed to be a rather diverse reception. To this writer much of the melodic line seemed reminiscent of popular song phrases while in other places the technical difficulties of its structure made a clear appraisal hardly possible. Like much modern music, this Sonata must be heard several times before a sound opinion of its merit can be given.

Beautiful indeed was "Baal Shem" by the modern writer, Ernest Bloch. Based on traditional Hebrew melodies, these "Pictures of Chassidic Life" are a modern development of the religious form—a mixture of minor key phrases and modified Phrygian mode cadences, in recitative or arioso form interspersed with a rhythmic *codetta.* Highlight of the next group was the première of a "Rondo" composed for this concert by the Toronto musician, Oskar Morawetz. Demanding a great deal from the performer, it was well played and brought enthusiastic applause, the young Czech-born composer being brought forward to share in the acclaim. It was satisfying both to the hearer and the performer.

The playing of "Tzigane", a vivid and fiery composition by Ravel, restored the balance of standard and less-familiar music and afterwards the audience would not be satisfied until Kash had played two encores—Chopin's Nocturne in C sharp minor and "Ao po foguera" arranged by Heifetz from the Brazilian Valle.

The work of John Newmark at the piano deserves far more than this last paragraph, and there was marked approval from the audience for his sympathetic and artistic work, perhaps best in the Poulenc Sonata but present throughout the entire concert. As an accompanist or as a solo artist, this Montrealer should be heard from more often.

TORONTO
MENDELSSOHN CHOIR
SIR ERNEST MacMILLAN, Conductor
Annual
All-Choral Concert
WED. FEB. 25th
8:15 P.M.
A programme of unaccompanied choral works
Assisting Artist:
LUBKA KOLESSA
Pianist
MAIL ORDERS NOW
$1.00, $1.50, $2.00, $2.50 (No Tax) Enclose stamped, self-addressed envelope with remittance to Toronto Mendelssohn Choir, 135 College St., Toronto.
MASSEY HALL

Vicks Inhaler
MAKES COLD-STUFFED NOSE FEEL CLEARER IN SECONDS!
VICKS
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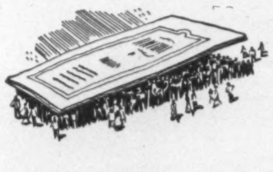
Use as often as needed.

PINEAPPLE GUAVA
Produces Rich Luscious Fruit on Dwarf Plants
This rich tropical fruit is produced on plants that are highly ornamental too. A fascinating and novel houseplant with its glossy green and silvery-gray foliage. Flowers as large as 1½ inches across, white to purplish crimson with crimson stamens; followed by delicious aromatic fruit about 1½ to 2 inches long. Flesh is translucent white of pronounced pineapple flavour and seeds so small as to be unnoticeable. May be used raw, cooked, or in jams and jellies. A bowl of fruit will fill a room with delightful fragrance. Easily grown from seed. Full directions supplied.
(Pkt 25¢) (3 pkts 50¢) postpaid
FREE — OUR BIG 1948 SEED AND NURSERY BOOK — Bigger than Ever 40W
DOMINION SEED HOUSE, GEORGETOWN, ONT.

A Message to Every Canadian Family about
LIFE INSURANCE

DIRECTLY OR INDIRECTLY, Life Insurance benefits Canadians from coast to coast . . . old and young . . . in every walk of life. This report tells how more than 50 Life Insurance companies in Canada made 1947 another year of service, expansion and preparation for the future.



1 Protects more people than ever!
Every year more Canadians realize that through life insurance they can co-operate with others to share their risks. Now there are over 4½ million policyholders, and their insurance in force totals nearly $12 billion — an average of about $3,500 per family.

2 Helps families meet emergencies!
In 1947, over $70 million was paid to beneficiaries for death claims! This money helped widows to maintain their homes, educate their children, and meet current expenses.

3 Thousands of happy endings!
More than half of all life insurance payments go to *living* policyholders! Last year, thousands of Canadians received the welcome funds that brought comfortable retirements, pleasant trips, homes, college educations for boys and girls.

4 These dollars really work!
Last year the life insurance companies invested many millions of dollars in harbours, railways, power plants and other industries, public works and government bonds . . . as well as in farms and homes. These investments create new jobs; help raise living standards for all.

5 Toward a healthier Canada!
Again, in 1947, the life insurance companies gave financial support to important medical research projects. More help for the vital task of lessening the menace of cancer, tuberculosis and polio. More help for building a healthier nation!

6 Meeting higher living costs!
As the cost of living rises, more life insurance protection is needed. So to help provide for today's greatly increased demands on family budgets, many people purchased additional life insurance during the past year.

It is good citizenship to own
LIFE INSURANCE
A message from the Life Insurance Companies in Canada and their agents
L-947C

RADIO

Choosing the Lesser Evil

By JOHN L. WATSON

THE C.B.C.'s annual report for 1946-47, which has been tabled in the House, will provide ammunition for friends and enemies alike. The Corporation wound up the year's activities with a deficit of rather more than $175,000— a condition which the report cautiously refers to as "cause for concern". Deficits are unpleasant things to be faced with, but there are worse. The C.B.C.'s deficit could probably be wiped out by the very simple expedient of selling more broadcasting time to commercial sponsors. Which is the lesser evil—bigger deficits or more commercials? During the last fiscal year the C.B.C. devoted less than 20 per cent of its time to sponsored programs, which accounted for about one third of its revenue. The Corporation is living up to its promise to maintain "a reasonable balance" between commercial and sustaining programs!

The "housing shortage" on the present amplitude modulation band is going to act as a spur to development of frequency modulation broadcasting. There is room for expansion in Canadian radio, but there is no room for more stations on our radio dials. The C.B.C. will, therefore, encourage the building of F.M. transmitters by radio broadcasters, in addition to the three stations it already operates. The commercial value of F.M., however, will depend entirely on the rate of production and purchase of F.M.-equipped receivers.

The International Service, that important Government agency operated by the C.B.C., was expanded in 1946-47 by new transmissions to Norway, Sweden, Denmark and South American countries and experiments were carried out with a view to establishing a regular service to Australia.

The C.B.C.'s biggest job on a global scale was its transmission of the United Nations' deliberations at Lake Success and Flushing Meadows.

C.B.C. Chairman A. Davidson Dunton echoed the thoughts of a good many progressive radio commentators when he diagnosed the prevailing illness of modern commercial broadcasting as "Rating-itis". Speaking to the January luncheon meeting of the Toronto Advertising and Sales Club (which probably contains a fair proportion of his most active opponents), Mr. Dunton warned his audience of the dangers of relying too complacently upon the yardstick of audience ratings as the sole measure of broadcasting usefulness. He pointed out with commendable candor that this practice must inevitably lead to stale and stereotyped forms of radio entertainment and discourages fresh and novel approaches. He urged a larger measure of experimentation, the adoption of new formulae and new techniques which "may seem strange to most listeners at the beginning but which may be good enough to win the appreciation of many if they have a chance to hear (them) for a time". Mr. Dunton also suggested that more emphasis ought to be placed on the *qualitative* analysis of radio listenership and less on the purely *quantitative*—which is already an important factor in the assessment of visual advertising media.

Mr. Dunton's advice will sound almost like a truism to most discriminating radio listeners but it will probably get a chilly reception among the cagey pundits of sponsor-land. The authority of the almighty rating is absolute and final in some quarters. However, if, in the very near future, the audience-reaction experts begin to detect an increasing interest among Canadian listeners in unusual and more challenging forms of radio entertainment, it will be largely the result of the C.B.C.'s valiant efforts—in the non-sponsored program field—to stimulate such interest. Perhaps the deficit will pay dividends!

One of the most refreshing "experiments" in the "Wednesday Night" series was the program of English music by a string orchestra conducted by Bernard Naylor, broadcast on January 28. It consisted of only three works, all of them important. They were Elgar's "Introduction and Allegro for String Quartet and String Orchestra"; the cantata "Dies Natalis", composed by Gerald Finzi, with text drawn from the works of the 17th century metaphysical poet, Thomas Traherne; and "A Set of Variations on Theme of Frank Bridge", by the contemporary English composer, Benjamin Britten. The music of the cantata resembled the poetry which it ennobled—mysticism on a solid foundation. It was expertly sung by Frances James who seemed to catch the flavor of the music but sometimes failed to make the poetry audible.

Miss James on the Air

Miss James' numerous admirers will have other opportunities to hear her over the air between now and March, when she leaves for her Western Canadian tour. On February 11, she was the guest on the C.B.C.'s "Distinguished Artists" Series (10.30 p.m. E.S.T.); on February 17, she will sing Debussy's "Chansons de Bilitis" and the soprano role in Mahler's 4th Symphony with the Toronto Symphony Orchestra (8.30 p.m.), and on February 26, she will broadcast a program of contemporary Canadian music over the British and Caribbean transmissions of the International Service (5.15 p.m.).

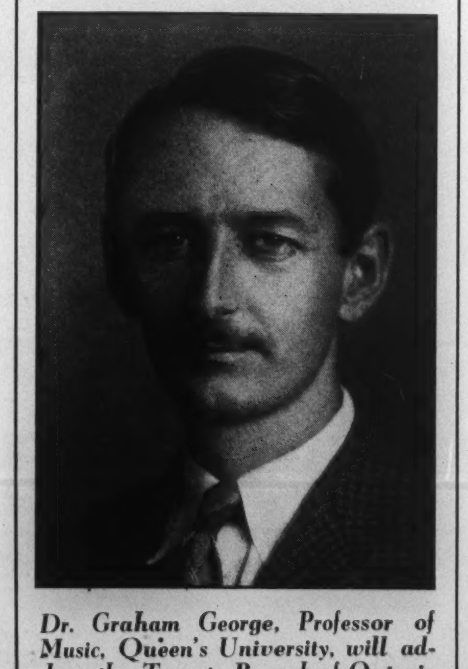
Earle Birney's prize-winning poem "David" was read by the Vancouver radio actor, Arthur Hill, on the same evening. Mr. Hill managed to get across all the drama and excitement inherent in the verse but he took the crescendos at such a runaway pace that much of the poetry was lost.

In arranging for the broadcasting of the Toronto Symphony all-Canadian Concert on January 27, the C.B.C., with only one hour at its disposal, probably had to choose between broadcasting the major work of the evening, Healey Willan's Symphony No. 1, with possibly one other short work, and broadcasting *all* the lesser works to the exclusion of the Symphony. I suppose they did the wise thing in choosing the latter course: it enabled them to publicize the work of six contemorary Canadians, all of whom presumably need the publicity more than Dr. Willan does. On the other hand, the Willan work is Canada's major contribution to the symphony and it ought to have been heard by more people than were able to crowd into Massey Hall. It would make a good item for an all-Canadian "Wednesday Night" along with, say, a performance of "Two Solitudes" and a discussion of Canadian poetry or painting.

R. S. Hately, conductor of the Toronto Philharmonic Choir in a choral-orchestral concert this week, featuring "Hiawatha's Wedding Feast".

The prodigious Patsy Parr continues to astonish her radio audiences. Last week she appeared on the "Northern Electric Hour", playing a movement from Haydn's D Major Concerto and two pieces of her own composition, a "Song Without Words" and a "Spanish Dance". Miss Parr is a phenomenal performer for one so young, but musical performances must stand on their own merits and this young lady has a long way to go—and a lot of work to do — before she will rank with the best pianists of her day. I think the "Northern Electric Hour" is one of the best programs of "light-classical" music on the Canadian air. The standard of production is consistently good and the policy of abstaining from commercials is worth its weight in adjectives. "Forward with Canada" is becoming increasingly interesting and newsy, although its delivery is still too high-flown.

A program of interest to girls of high-school and university age is broadcast every Monday at 5.45 p.m. from station CFRB in Toronto. Entitled "Salute to the Girls" it consists of interviews with prominent Canadian business and professional women on careers for girls.



Dr. Graham George, Professor of Music, Queen's University, will address the Toronto Branch of Ontario Registered Music Teachers in Royal Conservatory of Music on Feb. 16.

WILLIAM HOLLINS & CO. LTD.
DAY & NIGHT WEAR
VIYELLA HOUSE, NOTTINGHAM

There is no other Fabric like this
LONG WEARING
SHRINK RESISTING
'Viyella'
REGD.
FLANNEL

Viyella Flannel is the softest fabric yet the hardest wearing in the world —it looks like new as long as you wear it, and it's the one material you can wash and wash without shrinkage.

The British Fashion Fabric that Wears and Wears
GUARANTEED WASHABLE & COLORFAST
LUX TESTED
36" and 54" wide. At all leading stores or write Wm Hollins & Co. Ltd., 266 King St. W., Toronto

Think of the Pleasure

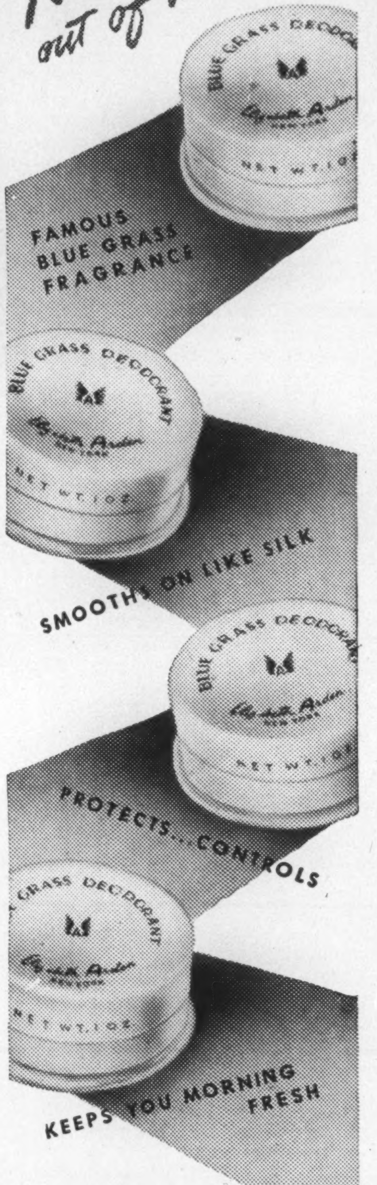
you could be having, right now, from a conservatory sitting room like this.

More delightful use of a conservatory can hardly be imagined than this delightful one we were privileged to create for Mr. Charles E. Harvey, Strathallan Boulevard, Toronto. Here is the perfect sitting room with plants and flowers in pots to provide an attractive background . . . a permanent source of enjoyment during winter days like these.

We would be happy to plan a conservatory sitting room for you now . . . to be built during fine weather months ahead. Literature will be sent on request to our Department S.

Lord & Burnham Co. Limited
HEAD OFFICE & FACTORY: ST. CATHARINES, ONTARIO
1-48

New out of the Blue



BLUE GRASS
CREAM DEODORANT
$1.50
Elizabeth Arden
SIMPSON'S, TORONTO
and at Smartest Shops in Every Town
7°7

A delightful way
to say "Hello"

Chang Shu-Chi

You'll find Austin-Marshall Pleasure Notes ideal when you want to say "Hello" or "Thank You"—in your most charming manner. Illustrated is one of the 12 cards in the Chinese collection. Attractively boxed —these and other distinctive Pleasure Notes are at your local gift or stationery store.

UNUSUALLY
FINE CARDS
and NOTES

Austin-Marshall
GREETING CARDS & PLEASURE NOTES

AUSTIN MARSHALL LIMITED 200 BEDFORD RD., TORONTO

TRENDS

Customers Always Write

By EILEEN MORRIS

WHEN Mrs. Homemaker takes pen in hand, anything can happen. So say those manufacturers of everything from breakfast food to talc powder who receive hundreds of letters yearly from their customers.

What happens to such letters, once past the mail desk?

"We read 'em all!" one manager explained. "They are our only contact with Jane Public, aside from door to door surveys. Sorted into complimentary or complaint folders, they are studied at our executive meetings regularly."

Another businessman advised, "Women shop for 90 per cent of the family's needs, so their letters are definitely required reading in our office!"

And what do Canadian shoppers think of the goods they take down from their dealers' shelves? The great majority are lyrical with praise—after doing without in war years, they are quick to write "Welcome back" to many favorite brands, and to give an enterprising company a pat on the back for introducing a postwar article they've always needed.

Pen in Hand

Maybe they find more time, but Western fems are more frequent letter writers than their Eastern sisters, while the city gals tend to be more critical than those in farm districts.

Many a large-scale production plant is looked on as an old family friend by those who sign themselves "A Loyal User," and such concerns strive to retain that close feeling through courteous replies, and, in some cases, standard "thank you" complimentary gift packages of their wares.

But what about those other letters—the ones that begin, "I'll never use your product again!" The Case of the Shredded Hankies is an example of what happens when a complaint comes in the morning mailbag. "Your soap is in my black books!" Mrs. Homemaker wrote. "Look what it did to Junior's linen handkerchiefs." Executives peered over one another's shoulder at half a dozen linen squares, obviously the worse for wear. Immediately, research chemists were called, and put on the case. The evidence was studied under microscopes, and subjected to countless tests; duplicates purchased locally were scrubbed and rubbed in the suds, their reactions noted with scientific exactness. Finally, a relieved manager mailed madame a complimentary box of soap, with the added suggestion that in future, she go easy on the bleach on Monday mornings!

"Few women read directions on packages and labels, let alone follow them," one experienced researcher asserted. "Complaints can often be traced to lack of know-how on the part of housekeepers who are in too much of a hurry to read the fine print."

Fingers Crossed

But praise brings its own problems, too. Take the note received by a leading tire company not long ago. "Your tires are wonderful!" the lady enthused. "Why, while driving one night, going about eighty-five miles an hour . . ." Executives choked deep purple over that one. "If we ever let that testimonial out, enraged Safety Leaguers would be hunting our scalps!" the manager remarked, hastily returning it to the file.

The hope of making an easy dollar is the motive behind a few letters. Wrote one proud mother, "My ten-year-old boy has composed a clever poem about your shave cream. Enclosed is a copy, and be sure to send all cheques to my attention when you use this in the magazines."

The thoughts of fame and fortune tempt those who enclose snapshots or inspired doggerel, with assurances that "a personal interview can be arranged anytime." The bane of many public relations departments are those hopeful mothers who mail in expensive photographs of Johnny or Sue, who "love your shampoo, and would be a cute model for your ads," or "would brighten your dull radio show with clever imitations."

Grammarians write long letters objecting to the use of slang or streamlined spelling on box tops or bottle labels. "Surely you realize that the children of the nation see this box on home shelves from earliest childhood," one woman wrote indignantly. "You are deliberately undermining the school's teachings."

Other sharp-eyed users spot slight errors in illustration. "The sketch on your carton shows a woman holding a box in such a way that she couldn't possibly open it as directed," pointed out an observant fem. Red faced illustrators corrected their mistake on future stock.

With fingers crossed, advertising men watch the mails to see how Mrs. Homemaker goes for new packaging, singing commercials, or some promotion stunt. The customers always write—and if too much critical comment is received, the most expensive brainchild may be revamped, or scrapped altogether. In today's highly competitive market, manufacturers are sensitive to the housewife's opinion of their wares.

You can start a one-woman crusade to improve a product through a constructive suggestion, or pass along a hearty "thank-you" for the price of a postage stamp. And if you can't get the knack of using some postwar boon to modern living, speak up! A personal reply may be supplemented by booklets designed to answer the questions you and other homemakers have raised.

To every letter received the manufacturer replies, "It was nice hearing from you!" And he means it.

BEATEN?

OPEN those knotted hands
And let your bitterness fall down:
Earth still accepts all of man's
haughty waste
Without a frown.

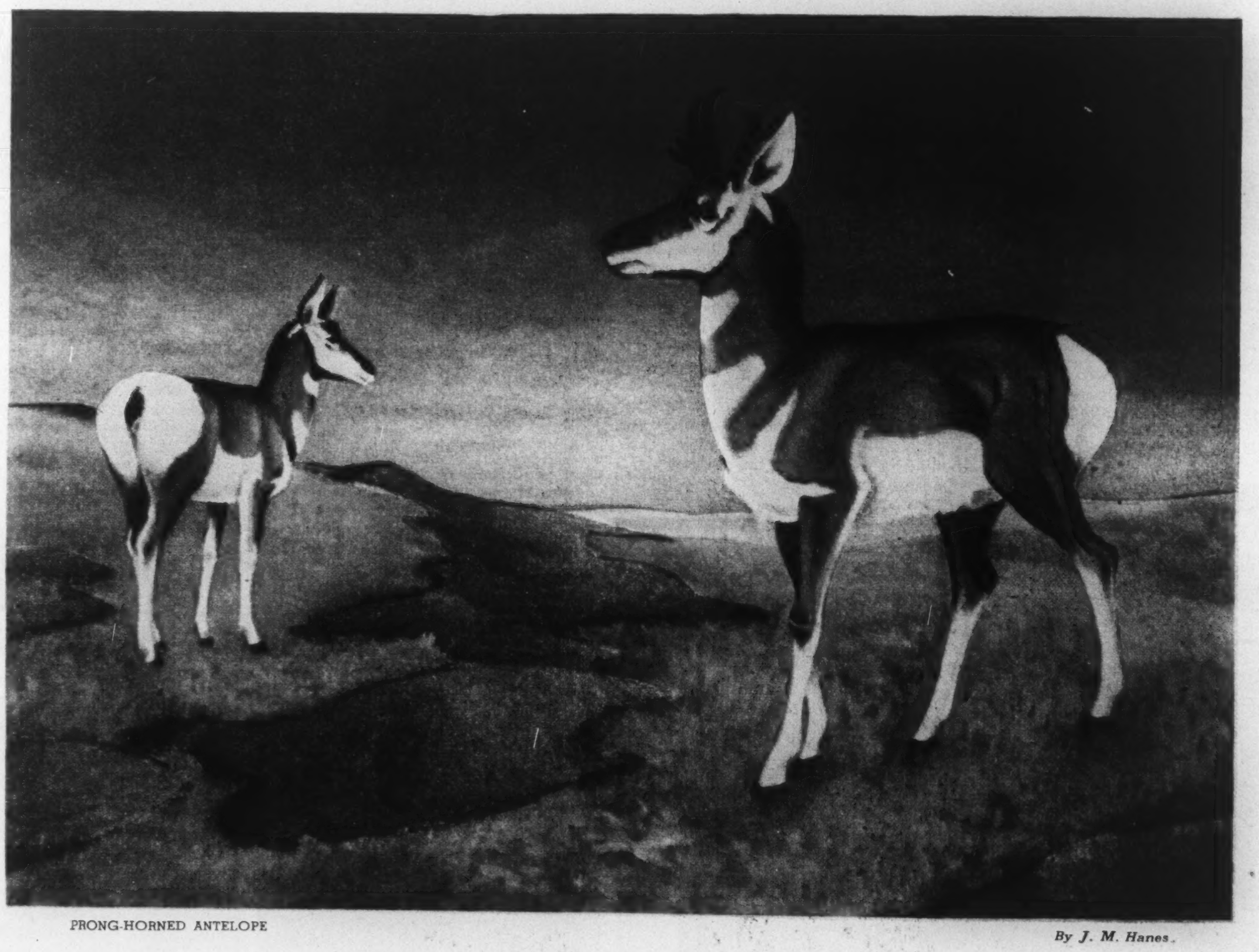
Open your weeping eyes
And wipe the blinding tears away:
Skies still return for dark ingratitude
Free light and Day.

Loosen your tangled mind
Of all its baffling grief and strife:
You have accepted glorious gifts and
rights—
Live a full life!

EMILY LEAVENS

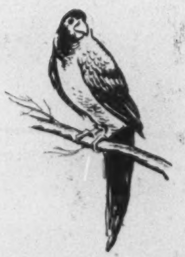
A new lease on life ...

At one time the Prong-horned Antelope ranged from Alberta to Mexico in numbers comparable to those of the Bison. But over-hunting threatened the survival of the "Prong Horns" until vast sanctuaries were established for their protection in Alberta and Manitoba. In these refuges their numbers increased and they have since spread into Saskatchewan—a tribute to far-sighted conservation authorities, showing how effective conservational measures can be in preserving a species from extinction. To promote public understanding of the need for conservation, interesting authoritative literature and full-colour reprints of our wildlife pictures, without advertising, are available free by writing to The Carling Conservation Club, Dept. B3, Waterloo, Ontario.



PRONG-HORNED ANTELOPE

By J. M. Hanes.



On the other hand, protection was not established in time to save the Cuban Tricolour Macaw from fading into oblivion. It was hunted mainly for food and became extinct around 1864.

COPYRIGHT BY CARLING'S, 1945

CARLING'S

D-112

THE CARLING BREWERIES LIMITED
WATERLOO, ONTARIO

Nature Unspoiled — YOURS TO ENJOY — YOURS TO PROTECT

CUISINE

One Course in Star Role

By MARION GIFFORD

THE high price of food calls for some change in tactics on the entertainment front. Instead of inviting guests to a whole meal, try having them in just for dessert-and-coffee. Then really go to town on that all-important guest dessert. It looks lavish, and is fun, yet the total cost for the party is relatively small.

Another suggestion is to serve a very simple meal but dress it up with a gay and gala first course. This might be a special and individual soup. For instance, Shrimp Supreme—

1 can condensed green pea soup
1 can condensed tomato soup
1 can condensed bouillon
1 cup milk
½ cup heavy cream
1 cup shrimps
3 tablespoons sherry

Stir the tomato soup into the green pea soup. Add bouillon. Combine milk and cream and add to the soup with the shrimps (cut in small pieces). Heat to the boiling point and put in the sherry just before serving. Serves 6-8.

With it serve Toasted Cheese Squares—

¼ cup butter
½ cup sharp cheese, grated
½ cup dry bread crumbs.

Cream the butter and cheese together. Add the dry bread crumbs and mix well. Cut bread into ¼ inch thick slices and then cut in 1½ inch squares. Spread each square with the cheese mixture and toast under the broiler.

Dessert and —

If you have invited guests for dessert-and-coffee, you might copy the native Swedish custom and serve pancakes. Preparation time is cut to one-third with a good ready-mix for pancakes, and does not involve a staggering number of utensils and bowls for mixing. For extra rich pancakes, add one beaten egg and 2 tablespoons melted butter or other fat to the pancake batter.

There is endless variety in the sauces and syrups that are delicious with pancakes. Here are only a few, and your own ingenuity can take over to find many delightful new combinations:

Brown sugar syrup: Combine in saucepan 1 cup brown sugar, ¾ cup water and ⅛ teaspoon salt. Cook 5 minutes. Add ½ teaspoon maple flavoring, or 2 teaspoons rum, before serving.

Praline sauce: Add ½ cup chopped pecan meats to 1½ cups brown sugar syrup or maple syrup.

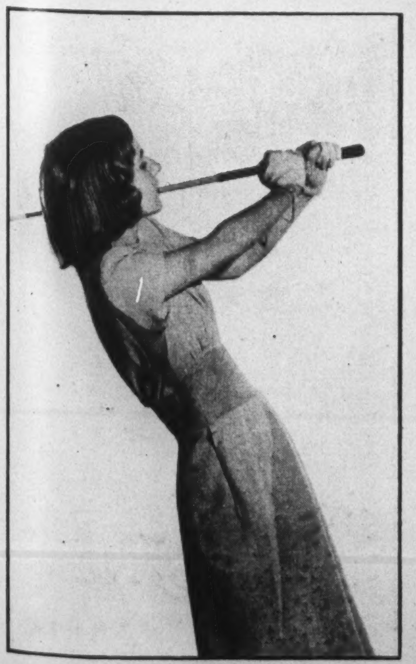
Spiced honey: Heat in top of double boiler 1 cup honey, 1 teaspoon cinnamon and ½ teaspoon nutmeg.

Thin French-style pancakes spread with jelly or jam, rolled and dusted with powdered sugar, are delicious. The pan or griddle on which they are cooked should be tilted from side to side to spread the mixture so that it almost covers the pan and makes the pancake very thin and lacy. When the under side is golden brown and edges crisp turn pancake and brown other side. These pancakes should be very thin, crisp and irregular in shape.

For a quickly prepared dessert which has a festive appearance, Strawberry Whip has the added advantage of strong appeal for those who count their calories:

3 egg whites
1 tablespoon sugar
⅛ teaspoon salt
2 teaspoons lemon juice
1-16 oz. package frozen strawberries

Beat egg whites until stiff but not dry. Gradually beat in sugar. Add salt and lemon juice. Add juice from berries (½-¾ cup if syrup pack is used) and beat slightly. Fold in thawed berries. Pile whip lightly in individual dishes and serve at once.



Inserts of ribbed linen at midriff and underarms of this grey spun rayon dress give the sportswoman 9½ inches of leeway, as compared to 3½ in similar dresses. A Varden Casual designed for women 5'5" or less.

• •

RUTH REVERSED

WHEN sick for home Ruth stood
  in tears
 Amid the alien corn,
She little thought in later years
 Canadians would be born
Who'd find their native country
  corny
And go a-gleaning, hands unhorny,
For dollar bills in Californy
 Their wallets to adorn.

Though Ruth herself was forced to
  roam,
 She thought it was a lie
That anyone could wail at home
 To think of alien pie.
But let us all assure you, Ruth,
This is, so help us, simple sooth.
God help us all, this sober truth
 Can make two kinds of cry.

For some of us must also weep
 To hear the others blether,
The ones who, like so many sheep,
 Trot southward hell-for-leather.
"And worst" we hear with eyes all
  wet,
"These boys are our intelligent set."
You'll not believe *that* part, I bet:
 It doesn't hang together.

DAVID BROCK

WHEREVER HEAT IS PRESCRIBED
...when bathing baby
...when drying finger-nail polish
...when drying paint
...when drying hair

GENERAL ELECTRIC
HEAT LAMP
—for Soothing, Penetrating Heat

• Gives relief to tired aching muscles . . . Its soothing, penetrating heat goes deep down right to the source of the pain. It is recommended for cases of stiff neck, charley-horse, stuffy head and whenever supplemental application of heat brings comfort.

It is a safe, simple source of heat for a hundred home uses. Protected by a G-E Heat Lamp baby will keep safely warm! Use it too for drying hair, nail polish, personal washing, paints and enamels, thawing pipes, warming car engines . . . whenever heat is required.

It requires no special installation . . . fits into a regular lamp socket and costs only $1.55 for the regular and $3.95 for the "Red Bowl" lamp. Buy one today! You'll be surprised how useful you find it.

CANADIAN GENERAL ELECTRIC CO LTD
Head Office: Toronto — Sales Offices from Coast to Coast

Amusement -- Free of Tax

By MONA BARRY

IN these days, when people tend more and more to demand expensive enjoyments, how nice it is to think that there are lots of simple pleasures you can't be taxed for. . . First soap, for instance. To be able to peel the scented paper from a new cake of soap, and wash my hands with it, while the name is still indented, or the pattern still bumpy, gives me deep satisfaction.

Opening letters is fun too, with a really good paper knife. Grown-up faces accompany this operation. It takes terrific self-control to open them all before reading one, and I am sometimes discouraged from this postponement of bliss by the fact that the letters lose their mystery and look used before you have read them. I am referring, of course, to letters which have written addresses, and might be from absolutely anybody. Typewritten addresses don't count.

Clean sheets and pillow cases are a pleasure, and so is helping yourself to cold hard butter in the hot weather. Untying string instead of cutting it gives some people a great thrill, especially when they self-righteously wind it into a little ball afterwards; but of course these would be rather dull people, and perhaps even over forty, in which case they may be unable to feel pleasure at anything.

Colored ink is one of my own weaknesses, though I nearly always regret having indulged in it. Sooner or later there is green all over the blotting paper, and someone has dipped the red nib into the black bottle against all instructions, resulting, of course, in mud color. The violet you thought would look interestingly fastidious on a friend's envelope merely looks like an advertisement for corsets, and very vulgar. Still, it was all a rebellion against monotony, which is nice in itself. Sharpening a pencil with a very good sharpener, and not breaking the point, is another source of mental uplift which continues till the point wears right down.

Neat luggage has always been a great gratification to me, especially if there are colored labels and they all match. Speaking of travelling, is there anyone who while travelling abroad has failed to revel in the glorious freedom of a railway carriage all to himself?

For one thing, you hardly ever get one—there is all the agony of suspense to be gone through first. Tactics for repelling intruders must be thought out and set in action; the frown, the rustling spread, the looking worriedly down the platform for imaginary relations, the bad cough, the standing in the doorway in an absent-minded way, and finally, if desperate, the unashamed glare.

At last, unworthy one, you have attained your object. Chug-chug-whistle . . . lurch . . . you are off. Telegraph poles and fields stream by the window, and you are gloriously, triumphantly alone. You can walk up and down, put your feet on the seat opposite, sing, dance, read, look at the pictures of Brighton in 1885 on the walls, or eat a banana if you happen to have brought one with you. The only trouble is that the sort of train where you are likely to get a carriage to yourself invariably stops ten minutes later to allow two women with a market basket and a man with a pipe to join you.

Beetles in Wax

Lighting a new candle gives some people joy; others are partial to playing with sealing wax. I can make very good beetles with it myself. I also like squeezing new tooth paste, so that the little brown disc at the end flies off with a pop when it shouldn't. What a lot of things there are to do. Sitting on the outside in church is a source of enormous satisfaction to me, and one only arrived at after the most brilliant and complicated machinations. First-into-the-bus, also, is a minor triumph.

Really, a lot of pleasures seem to depend on firstness, especially when you come to food, which has given pleasure to everyone at some time or another. If you have first choice, for instance, you can have the brown egg, the crackly potato, the cake with pink icing, the coffee chocolate. A less earthy enjoyment is the first helping of jelly, for it depends upon sound more than taste—making a quite ear-splitting noise like "Gluck" if properly spooned out.

Roasting chestnuts is lovely, though apt to lead to recriminations from the person who gets unintentionally given the boiling hot bad one twice running. Can you bear to think of a new paint box without longing? There is the glorious smell, and the sticky piece of transparent paper peeling off the virgin cakes in their square porcelain dishes. Would anyone willingly give away that first moment when, licking the new brush, you just *try* the Green Bice? As these are all pleasures without alloy I shall not include things fraught with painful possibilities, such as one's first bicycle or pair of roller skates. No, these are all gentle, placid joys, to which I might add the first sight of land after a long sea voyage, and New Bedroom Slippers. There is also the face of a friend.

> "The world is so full of a number of things,
> I'm sure we should all be as happy as Kings"

wrote Robert Louis Stevenson, and you can see what he meant; but I like this quotation even better:

> "The Kingdom of Heaven is of those who give pleasure—
> Who love, and are easily pleased."

If He Gives You Perfume

By JENNIFER LEE

EVERY year in Canada, thousands of males give a detailed description of their wives and sweethearts to other girls. It's all done in confidence and the wives and girl friends rarely know a thing about it. They wouldn't mind if they did. For the descriptions are given by way of securing something for the wives and girl friends that all women love—perfume!

If a man knows the name of the perfume his wife wears or likes there's little trouble in buying it. But ten chances to one, say the gals who sell perfume, a man wants to get his wife a new essence—a surprise. Then he's up against it.

Smelling the stuff won't do the trick, because his wife may not like, behind her ears, what he likes from the bottle. And anyway, some of the more expensive perfumes — which many men go for — are not to be "sniffed" so indiscriminately. They're securely sealed and stoppered and sniffs at the all-important essence are beyond the realm of possibility until the bottle is opened.

So the poor man—and there are thousands every year—refers to the girl behind the counter. She, bless her, is trained in the best Sherlock Holmes manner and asks the sometimes embarrassed, often perturbed, always eager and never to-be-put-off, male quite a number of pertinent questions: Is your wife fair or dark? Tall or short? Is she quiet and studious — or sporting? Does she wear furs and gardenias, or tweeds?

When, and only when, he has answered all these uqestions, and more, does the gal bring forth several bottles of perfume, some for possible trial sniffs, and some most securely stoppered. She will give the husband or boy friend her idea of what he should buy for his woman. And, so the perfume-bar girls tell us: "Almost every man we deal with, will take our advice."

And 95 percent of the girls who are on the receiving end of this little jaunt into luxury either agree with the perfume lady's choice, or are content to wear the perfume their man brings home — and like it.

The attractive, perfume-wise buyer for one of Canada's large stores declares that she can hardly remember when any woman came in, or telephoned, to change the fragrance her husband had bought for her. "They just never seem to do it," she says, "and the men, if they're in doubt at all, always rely on us."

It's what you seem to your husband, and the picture he gives to the salesgirl, that's responsible for the choice in fragrance. It would appear that most girls seem pretty nice to their men—when the perfume so carefully carried home, so rarely has to be changed!

a toast!

. . . to Monogram Decorative Crystal. So smart . . . so thrifty. Stunning open stock designs.

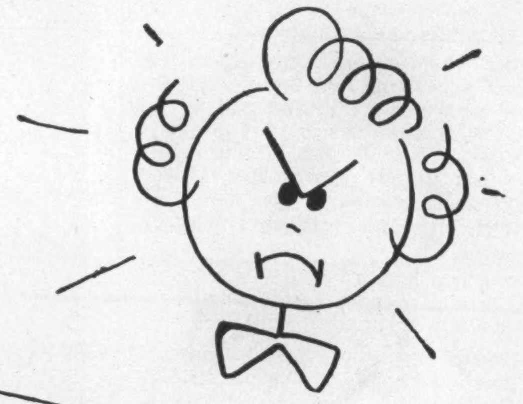
MONOGRAM Decorative Crystal

at better stores everywhere

A Library Table of Quality

Made in solid mahogany this charming drop leaf Library Table is rich in design and adds grace and dignity to any room. The top and drawer fronts are inlaid with gleaming satinwood in sharp contrast to the basic wood.

LIONEL RAWLINSON LIMITED
Designers and Makers of Fine Furniture
647-649 YONGE STREET, TORONTO
Est. 1883



was I mad#--¾%%!!!

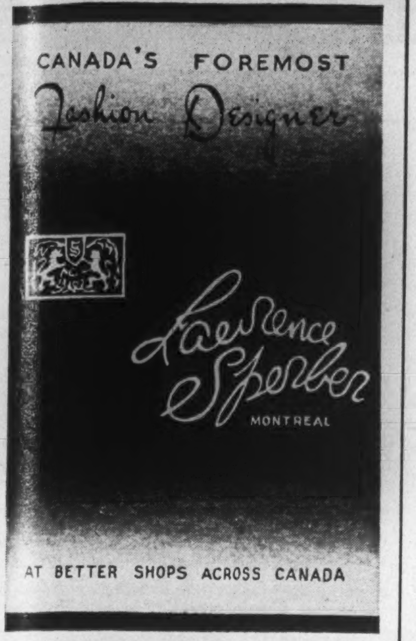
- 2 -

next thing I knew they had the dog in the house... They even had him on the bed where I had all my new Colonial sheets laid out. The mud! You never saw such a mess - was I mad#--¼%%!!! However there's one consolation, those same sheets can take it and they certainly wash well. Jim and I went over to the Gordons the other nite for bridge and I never saw such cards in my

COLONIAL Sheets
CANADA'S FINEST
COLONIAL

A Tex-made FABRIC
MADE IN CANADA by DOMINION TEXTILE COMPANY LIMITED MONTREAL

BLEACHED COTTONS • DYED DRESS FABRICS


CANADA'S FOREMOST

AT BETTER SHOPS ACROSS CANADA

NAUSEA due to high altitudes, speed and sudden changes, relieved with MOTHERSILL'S AIRSICK REMEDY
...Helps to control organs of balance. Quiets the nerves.
THE WORLD OVER

OH! my aching back!
AH! my Absorbine Jr.
For **FAST RELIEF,** help feed famished muscles with fresh blood!

● Oh, how muscles can *ache* ...after unaccustomed exercise! But don't take that stiffness and lameness lying down. Get busy . . . rub on Absorbine Jr.!

Sore muscles are often *famished* muscles. Your extra activity has burned up their nourishment. Absorbine Jr. helps *speed the local circulation.* Then fresh invigorating blood supplies fresh nourishment . . . tired muscles loosen up, feel limber again! Ah . . . what relief! You feel like a different person.

Ask your druggist today for Absorbine Jr., for over 50 years a famous formula of rare medicinal herbs and other scientifically chosen ingredients. $1.25 a long-lasting bottle.

W. F. Young, Inc.,
Lyman House, Montreal.

Absorbine Jr.

OTHER PAGE

The Road to Town

By CHARLES BRUCE

"NO," Jim said. "You'd just be in the way, Lee. There's no sense in it." He spoke a little impatiently; but he looked down, then, and his face softened. "Shingling's a job you'll never need to know, anyway. You stick around and clean up the dirt. That'll be a real help."

"All right, Pop." Lee grinned bleakly and turned to kick a bundle of new shingles in conscious nonchalance.

He watched his father climb the ladder to the narrow scaffolding across the barn's triangular gable, watched him thrust the nail-puller under worn courses of paper-thin spruce. The old shingles rained intermittently to the grass, grey with the weather of thirty years, pallid yellow on the side that had lain against the planking.

Armful after armful, he carried them across the yard to the kitchen and the kindling box while resentment ached in his throat.

Jim had cleared the peak of the gable now and was tacking on the first course of bright new shingles. That was where Lee wanted to be, beside his father on the scaffold, reaching into a carpenter's apron, transferring nails, one by one, from between his lips, holding the shingle steady with the cramped ball of the hand while the hammer drove home the nail steadied between thumb and fingers.

It had taken courage to ask. He had known it would be no use. There had been a chance, earlier in the summer holidays, to make some money cleating ends in Freeman's Mill. Jim had said, irritably, "No. I won't have you working around circular saws."

He had argued that time. "But, Pop, it's only cleating. The saws are off at the other end of the mill."

He remembered Jim's deliberate appraisal. "You heard me say No. That's all there is to it."

It was something that had grown up almost unnoticed by himself until others began to notice. He had lied, once, when Jim sent him to the corner, on foot, for a half-gallon of marine paint they needed for the rowboat. Old Man Wilson, the storekeeper, had said, "Where's your buggy? I'll stick it in the back." He had to tell him, "Our mare's got a shoe off. I walked in."

His mother had spoken, that time, when she thought him out of hearing. "Jim, it's crazy. If the boy isn't given responsibility in the things he has to do now, he won't develop it later. I know he's all we've got, but you're too careful. It's not fair. The other kids are beginning to talk. He's thirteen; he won't get killed on a four-mile buggy-ride."

Jim's voice had been quiet and stubborn. "Look, Ida. He's not going to stay on this land and slave a living out of it. He's going away, when the time comes; and not coming back like I did. I don't want him getting used to a man's work around here, or a man's responsibility."

That was the way it was. Lee drove the mare, endlessly, hitched to a spike-tooth harrow, across plowed fields in the spring, far from the hazards of the highway. He picked up old shingles under the high narrow scaffold on which he yearned to stand. He rowed in the shallow harbor, sheltered under the lee of The Head, when what he wanted was to sail on the open strait outside.

They had talked that one out the year before. "Pop, we could cut a hole in the for'ard thwart and put in a step and get a sprits'l."

"What'd be the good of that?" Jim had asked. "You can't do anything but sail off the wind when you haven't got a centre-board."

"Well, why don't we put in a centre-board? You could do it easy, Pop."

Jim had shaken his head. "I've got other things to do besides fooling with the boat when there's no sense in it. We've got no call to go sailing on the strait."

All this moved in the backwaters of Lee's mind, not in remembered detail, but in a vague resentment that was the sum of detail, as he picked worn shingles from the littered grass and lugged them to the kitchen.

It vanished in the breath of time between the slow detachment, before his fascinated eyes, of the scaffold-poles from the barn wall, and the crash in tumbling rubble of planking, poles and man. The sense of it was blotted out, as he jerked the planks aside, in a wild consuming fear.

Jim raised himself on an elbow, groaned, and grinned. He was on his feet, clutching a side and grimacing, when Ida's running feet reached them.

He shook his head. "No. I'm all right. Just a rough knock. I'll be okay when I sit down awhile."

He took a step, buckled, and caught himself. With Ida on one side and Lee on the other, he walked across the yard to the house, eased himself painfully up the steps, grasping the hand-rail.

"We've got to send for the doctor," Ida said, "You're hurt inside."

Jim growled. "No. No doctor. I'm in good shape. Just bruised over the ribs where the poles landed. I'll get in and lay down on the bed for awhile." He grinned at Lee. "Lucky you got out from under."

Lee went out on the porch steps. In a moment his mother followed. He could taste the tears of fear. What held his mind now was the sum of a detail that differed from the frustration of the earlier moments. This was something that stemmed from winter evenings by the kitchen fire with a plate of apples on the table, from days when the two of them had set rabbit-snares, with wire and springpole, on the Head, or cast for speckled trout in the brook Out Back.

He looked at his mother. "We've got to get a doctor."

It was awkward wheeling out the buggy alone and holding the shafts aloft with one hand while he backed the mare under them with the other. Fingers were clumsy with hurry as he adjusted the hames and hooked traces and breeching-strap. His mind was running on ahead. He caught up with it only when he climbed into the buggy and felt the wheels move under him on the gravel of the rutted road.

Enclosed in strapping from armpit to waist, Jim turned towards the doctor. "What's the verdict, doc? How much time in this strait-jacket you've stuck me in?"

The doctor considered, and said lightly, "You got off lucky. A week in bed; no heavy work for a month or so."

Jim frowned. "Half the summer. There's no light work on a farm, doc."

His head rolled on the pillow, toward Lee, and a trace of amusement lifted the reflection of impatient worry. "Well . . . if you can spare the time . . . it looks as if we might get around to fitting that centre-board."

Lee grinned. But the moment of rare affection was shadowed by a sense of something close to guilt. For the secret peak of his mind's elation had little to do with the vast relief that only time was needed. It was the memory, the anticipation, of what he had felt in the buggy, with his hand on the reins, alone on the road to town.

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THE BUSINESS FRONT

Safety for the Investor SATURDAY NIGHT, TORONTO, CANADA, FEBRUARY 14, 1948 *P. M. Richards, Financial Editor*

South Africa a Big Factor in Britain's Trade Plans

By RODNEY Y. GREY

The Union of South Africa is emerging as an important trading nation and becoming a major partner in British plans to re-establish world trade.

The author, a Canadian who has travelled extensively in Africa and is now attached to the Department of Political Economy of the University of Toronto, believes that this significant development is one which Canadians, anxious for export markets, should watch.

This is the first of three articles on South Africa's changing status.

TRADE talks between the United Kingdom and the Union of South Africa signal the emergence of South Africa as a larger producing and trading nation, bound up with British plans for a commercial revival. Canada, fourth trading nation in the world, is necessarily concerned with this British revival. Our trade links with South Africa, fostered by the Imperial Preference of the 1930's, strengthened by the flood of war goods, and recognized by the visit to the Union of Trade and Commerce Minister MacKinnon, are an integral part of export trade prospects.

As the postwar sellers' market declines, Canadian exporters will be casting around for new markets. South Africa may well take an increasing share of our manufactured goods. Our interest in the commercial future of Great Britain, intimately connected with our own prosperity, indicate that the new status of South Africa merits the attention of all Canadian businessmen, as well as those in the export trade.

Britain's program for economic adjustment may be conveniently broken down into short-run aspects and long-run aspects. The short-run refer to measures to meet the current adverse balance of payments, caused by the loss of overseas holdings during the war; the long-run aspects are those measures and programs concerned with her permanent reestablishment as a world trading power with a high standard of living and a favorable balance of trade.

The short-run considerations necessitate an austerity program involving cutting of purchases from the dollar countries, mainly the United States and Canada, and the increase of exports to all overseas markets. The long-run involve the reestablishment of capital holdings abroad and the building up of a stable overseas market for British goods.

South Africa's Importance

In both these broad categories Africa plays an important part. Following the cutting of food purchases from the United States, made necessary by her dollar famine, Britain is buying more from countries within the sterling area—South Africa, Australia, New Zealand, India, Pakistan, and the dependent colonies. From tropical Africa come supplies of palm oil, peanuts, copra, corn, sisal, citrus fruits, and economic minerals like tin and zinc; these are being directed in ever greater supply to the British market.

To pay for these increased purchases, Britain must export a growing volume of manufactured goods. In order to ensure continuous supply from those sections of tropical Africa that are under Downing Street control—Kenya, Uganda, Tanganyika, the Rhodesias, and West Africa—the British taxpayer is underwriting the Colonial Development Fund. Expenditure on irrigation, improved farming methods, the provision of technical equipment in the towns and on the land, substantial increases in dock and railway facilities, and extension of the road systems are being thus financed.

The £400 million peanuts scheme is the first of the large scale plans. In both the attempt to acquire immediately greater supplies of raw material and food for the home market, and the attempt to permanently increase production of raw materials and the consumption of British products, Britain requires the active cooperation of the Union of South Africa. It is both as a partner in the development of tropical Africa and as a producing nation in her own right that South Africa is emerging as an important commercial power in the world markets.

Throughout the stormy history of South African economic development British technical skill and British capital have played a dominant role. Though South African gold and diamond mines, as well as some of her capital equipment, are now in part owned by international capital, they were originally financed almost exclusively by British funds; and they still remain in significant portions British in ownership.

It is in the logic of the situation that in attempting to re-establish herself in world trade, in attempting to regain something of her former status as a centre of international capital transactions and in attaining her pre-war standard of living, Britain should turn to the development of that area that remains substantially British in ownership, and in which there is room for capital expansion.

Benefits for Both

This attempt to expand in Africa is by no means a one-way project; both parties stand to gain. Much of the present industrial strength of Canada, in terms of capital equipment, may be attributed to the impetus and the direct effects of the large-scale capital inflow into Canada from the London money market in the period 1900-1913; much of South Africa's present industrial plant exists because of the willingness of the British investor to take risks. In short for both Canada and South Africa, contact with the capital accumulations of Great Britain has been an advantage. South Africans hope to obtain increased amounts of capital from Canada. Our gold mining has many technical similarities to South Africa's and the movement of capital, as well as technique, directly between the two countries may well grow.

To look at expansion from the point of view of the white South African, be he of English descent or of Afrikander origin: the reports of the Social and Economic Planning Council, appointed by Prime Minister J. C. Smuts to inquire into the long-run human and physical resources of the Union show that the per capita income of the Union is less than that of Egypt, commonly regarded by South Africans as a poverty-stricken country. In fact, South Africa has the lowest national income in the Commonwealth, allowing for population differences.

South Africans, returning with the Springbok divisions who fought against the "Eyeties" in Abyssinia and against Rommel's Afrika Korps in the Lybian desert, have begun to realize, that despite their ingrained social prejudice against non-European groups in the community—Bantu natives, half-caste "colored," and Indians on the Natal coast—for commercial purposes the Union consists of ten million South Africans of all colors, not merely a privileged two and one half million whites. They will advance to a higher standard of living together or they will fail to maintain even the existing high standard of the dominant white group.

The rising native unrest, in part stemming from experience in uniform or factory during the war, means in effect that the non-Europeans must become partners with the ruling white group in new social and economic development.

Since before the days of the Union, even prior to the Boer War, the gold mined from the deep drifts of the Witwatersrand has been "the fly-wheel of the South African economy." Cheap labor, imported from the reservations or indentured from neighboring Portuguese territory, has made it possible to operate at a profit deep mines that otherwise would be forced to close down. The demand for labor, created by the establishment of war industries, and the increased awareness by the African population of the inequalities of the wage structure have forced up wages, so that the gold mines in the future cannot be expected to make as large profits, and thus pay for as large a portion of imports. The supply of gold is definitely a limited asset and already prominent South Africans foresee the time when the gold mines will be uneconomic propositions—they urge a greater diversification of industry and an equipping of the country for the production of a wide range of raw materials and semi-finished goods.

Major Problem?

Opposed to such diversified development is the Gold Producers' Committee and the Chamber of Mines, who maintain that there will inevitably be a decrease in gold exports if wages continue to be forced up by the labor demands of new industries. This is a major short-run problem for South Africans, the answer to which can only be found in cooperation with Great Britain in intensive capital development of those resources both in the Union and in the tropics to the north.

What resources has South Africa in which Britain will be willing to invest and which will strengthen the one-sided Union economy?

On the mining side she has substantial deposits of economic minerals—chromium, coal, and manganese. Two of these could command a lasting market in Britain. On the agricultural side the picture is more complicated — the soil of southern Africa is poor, it lies open to the sun and wind throughout the twelve months of the year. Erosion by wind and water has robbed the Union of twenty-five per cent of her soil fertility in ten years; the top-soil has been washed away or been blown away. There are a variety of causes—drought in the interior plateau of the Cape Province and the Orange Free State, flood in the coastal regions of the south-east, obsolete farming methods particularly in native areas, and over-grazing in large parts of the cattle lands.

Her greatest asset for industrial development is undoubtedly the large supply of low-wage labor, which, while presently unskilled, could be trained in order to enable it to participate in modern industry. In the secondary industries—sugar refining, iron smelting, and steel production—there has been a large war-time expansion. It was the demand for labor by these secondary industries that forced up labor costs. In the long-run, however, the greater industrialization of South Africa will raise the consuming standards of the non-European laboring population and create a demand for the sort of finished goods that British factories can best supply.

Soil Erosion

Behind the expansion of the raw material producing industries and the secondary industries concerned with the first stages in the working up of those raw materials lie the grim facts of declining agricultural production because of soil erosion. South Africa may eventually be faced with a chronic food shortage, and become a food-importing country. Eventually, Britain will have to turn to other food-producing areas.

State ownership of railways and harbors and public works projects like the Vaal Dam is a well established custom in the Union; British capital will be used to finance purely industrial development while the Capetown government provides state funds for conservation projects. Britain will be able to buy from the Union supplies of raw materials, some partially worked up, and sell her a range of specialized manufactured articles—clothing, electrical

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THE BUSINESS ANGLE

Inflation and Deflation Too?

By P. M. RICHARDS

COMMODITY prices broke sharply last week and stock prices, which had been sagging for months, fell off too, though less precipitately. At the week-end everyone was asking if this signalled the beginning of a big postwar depression, maybe like that of the 1930's. Most early commentators opined that it didn't; that the pressure on the up-side was too great to make this anything but a "temporary re-adjustment of prices." That phrase, and opinions like this: "The sobering effects of the week's developments greatly strengthens the belief that no major recession will become necessary to facilitate the necessary economic adjustments" are very reminiscent of the end of 1929 and early 1930, and everybody knows what happened after that.

However, it's a fact that today's conditions are very different from those which preceded the 1929 crash. Today business has plenty of orders on hand and in prospect, and the extent of world shortages indicates a continuing long-term demand; furthermore there's no present over-production. Today's big trading problems are not those of demand and supply so much as of means of payment, between groups and between countries. These payment difficulties have seriously tangled up the world economy but surely they should not throttle it.

Governments Alarmed About Inflation

At the very time that commodity and stock prices were suggesting the beginning of deflation, various things were being done about inflation. The government of France devalued the franc. The Dominion government proposed setting up a parliamentary committee with special powers to examine and report on "the causes of the recent rise in the cost of living." President Truman warned the United States that a crash was inevitable unless some way was found to curb prices; U. S. Secretary of Agriculture Clinton Anderson asked all consumers to "ration their food dollars" voluntarily to bring down the cost of living.

And Prime Minister Attlee told Britain's House of Commons and people last week that from now on the levels of profits and wages should be "frozen" in order to combat spiralling prices and help avoid national disaster. "It is essential," he said, "that there should be no further increase in the levels of personal incomes without at least a corresponding increase in the volume of production." Of course Britain and we need more production to help absorb the excessive volume of purchasing power that is pushing up prices. But this column would like to go a bit further than Mr. Attlee and urge that what is needed even more than additional production is greater *productivity*.

That is, instead of merely more man-hours of production, we should strive for more production per man-hour, which means more production at the present levels of personal incomes. The trouble with balancing increases in production with increases in wages is that the production increase creates its own additional purchasing power, of which there is already too much for the existing supply of goods.

Why Not an Anti-Inflation Hour?

We submit that a sure way to fight inflation would be to produce more goods for the same wages (and profits), say to work an extra hour daily without pay—an anti-inflation hour. Of course it would be necessary to ensure that the saving was applied on the prices of goods and did not go to enrich employers. But this should not be impossible. Actually we have not much hope that wage-earners will consent to do more work for the same money; the labor unions would be dead against it. But it would surely benefit all consumers. And if labor didn't like to work an extra hour, it could produce more in its present workday. In most cases there's plenty of scope for such increase. In brick-laying, for example.

If Ottawa's parliamentary price probe does a real job, we may expect it to show that current low productivity per man-hour is an important cause of the high prices from which labor and all other consumers suffer. The other day a U.S. organization reported on why a house which cost $6,000 in 1941 would now cost $11,625. The cost of labor, formerly $1,865, is now $3,561—up 90.9 per cent. Of the $1,696 increase in labor cost on the house, 42 per cent was accounted for by higher wage rates; the balance, 58 per cent, was required to pay for the additional labor necessitated by the decline in man-hour productivity.

Whether or not a major business decline is ahead, labor can't go wrong in making it possible to sell goods at lower prices. Lower prices mean wider markets and more consumption than are possible with high prices; furthermore the only source of maintenance of labor's present high wage rates is labor's own production.

goods, machinery,—that are cheaply produced in the British Isles. The greater diversification and extension of industry and the improvement in agriculture will create a demand, through the agency of a rising wage level, for a greater supply of imported goods.

There are of course, other than purely economic considerations motivating the Union's attempt to raise the standard of living for whites and non-whites. Political pressures and humanitarian interests alike indicate that large scale industrial reorganization, with Britain as the source of capital goods and needed consumer imports, is advisable. The problem is not uncomplicated—there is a penumbra of smaller factors centering around the main issues set out here—the need for diversification, the pressure to improve living standards, the rationalization of agriculture.

To the British South Africa appears as a market of considerable size for capital creation, a source of important raw materials, a market for consumer imports. Though Britain will turn as well to other areas as markets and sources of supply, South Africa and the areas immediately to the north will continue to occupy a substantial place in the new economic order. Canadian exports to South Africa, largely made up of manufactures, nearly equal in volume those to France. South Africa is Canada's fourth largest customer. Anxious as Canadians are to create a world with a high level of trade, the trends in South Africa merit our careful attention.

British Bankers Urge "End Make-Believe"

By JOHN L. MARSTON

Saturday Night's Financial Correspondent in London

A year ago British bankers warned that the government's cheap-money policy was discouraging saving and stimulating inflation. Now in their annual pronouncements, several leading bankers stress the danger of the public's apparent indifference to the advance of inflation, and state that Britain's present economic position is not being squarely faced.

The chairman of Barclays Bank Ltd. advocates a more positive program of active agriculture, in line with the government's four-year plan for raising farming output by 20 per cent, in view of the fact that Britain is no longer the leading manufacturing country and must adapt herself to the world's rapidly changing economy.

ondon.

WHILE it is the common practice for company chairmen to make some review of the industry or trade in which they operate, it falls to the bankers, in their annual statements ostensibly to shareholders, to survey the whole economic scene and pass judgment upon it. This right or obligation arises from the fact that the banks are intimately concerned with every phase of economic life and are more sensitive to national and international currents than any other organizations.

A year ago the British bankers almost unanimously warned the Chancellor of the Exchequer that his cheap-money policy was discouraging saving and was positively stimulating inflation, by the creation of credit wherewith the gilt-edged market could be supported. By the beginning of 1948 the 2½ per cent interest line had been abandoned, and by the time of the bankers' statements there were doubts whether even a 3 per cent line could be held for long. The bankers' opposition to cheap money was not the only factor in the change, but it was an important factor.

hree Per Cent

"In present circumstances," said ord Balfour, the chairman of loyds, this year, "3 per cent seems o be a point at which the interest f the Government as a borrower nd of the investor as a lender are bout balanced." This is a repre-entative opinion. The rate of inter-st has not been the focus of inter-st this year, for the bankers have o serious complaint about its pres-nt level.

But the inflationary situation in eneral has occasioned even more oncern than previously. Particular- serious, in the opinion of the ankers, is the indifference of the eneral public to the menace of in-ation, while the Government itself oes no more than issue, periodical-, routine warnings about the dan-ers of money which is surplus to urchasable goods.

The remedy suggested is an increase in production by harder work, assisted by better coordination of the national effort. But in the opinion of most of the bankers great importance must be attached to such monetary factors as a reduction of governmental expenditure, particularly the subsidies on food and materials, a cut in income-tax to provide more incentive to effort, and an effective Budget surplus to absorb surplus spending-power.

Only one of the big bank chairmen, Lord Linlithgow, of the Midland, has seriously challenged the importance of the monetary factor. He has reached "the inescapable conclusion" that "the solution of our difficulties is to be found only to a subsidiary extent in financial measures". Lord Linlithgow would probably not deny that the failure of the British and numerous other Governments to adapt finance to the general needs of their economies had aggravated disharmonies which, after the upheaval of the war, would anyway have been unavoidable.

Finance Subordinate

But the idea that finance is, in the final analysis, a subordinate factor —an idea which comes rather strangely from a banker—seems fundamentally sound. Not only the quack financial remedies which come into some favor from time to time, but even, perhaps, the orthodox banker's recommendations, treat monetary policy as something apart from the tangible material things without which money is entirely meaningless. Just as production and consumption are maladjusted if the transport system fails, so there can be no economic harmony without a sound monetary mechanism. But a good transport system is no guarantee of adequate production.

Even more startling, from a banker, was the statement from the chairman of Barclays Bank, Sir William Goodenough, which has been called an indictment of *laissez faire*. Sir William dealt at length with what he conceived to be the maladjustment of Britain's economy when the full results of the international division of labor took effect late in the 19th century. British agriculture reached the zenith of its prosperity in 1870; 15 years later it had collapsed. Britain was exporting manufactured goods, while the North American continent was sending vast quantities of grain at prices with which an unprotected agriculture could not compete.

In advocating a resumption of active agriculture in Britain Sir William was certainly on topical ground, for the government has instituted a four-year plan designed to raise farming output by some 20 per cent. Though this plan has been criticized as reversing the broad trend of the country's development, more detailed information than has yet been gathered would be needed to condemn it, convincingly, in economic terms.

It may well be that the rise in values of food and other primary products, not only absolutely but also relatively to the prices of manufactured consumer-goods, represents a change in the world's economy which will last for many years. Britain is no longer the dominant manufacturing country, and it is realistic to adapt her production to the development of manufacture elsewhere. Diversion of productive effort to growing food is not unreasonable on this argument.

Differences in diagnosis are natural and healthy. What really matters is that the facts shall be squarely faced; and on this point the bankers are mainly in agreement. The facts are not being faced; and Britain, for all her resources in material and skill, is in a precarious state on that account. "The country", says Captain Eric Smith, of the National Provincial Bank, "has a long way to go before it achieves solvency. It will, in due course, arrive, but the longer the people remain drugged with the narcotics of make-believe the longer will be the journey."

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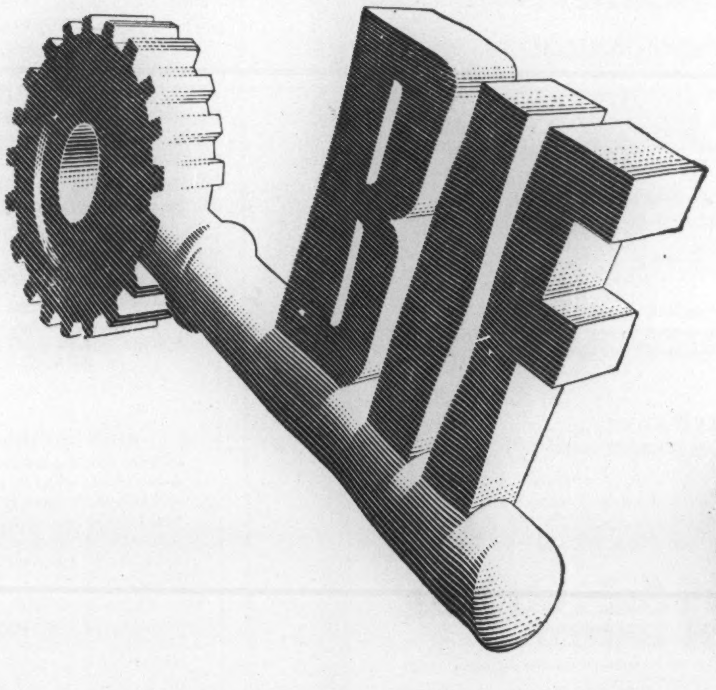

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NEWS OF THE MINES

Gold Production of Yellowknife Soon To Be Raised by Giant

By JOHN M. GRANT

WHILE the Yellowknife district, pre-eminent among the active mining areas in the Northwest Territories, has only three companies producing gold at present, underground exploration and development now proceeding gives promise of more, but of major interest at the moment is Giant Yellowknife Gold Mines, expected to attain the production status in a couple of months. Not only has the growth in development of the Giant ore structures been spectacular, but it has provided the stimulus for prospecting and exploration in what appears to be a great, although little known mining empire. Giant will be the first large-scale operation in the district and just how big has yet to be determined. Underground work from the two shafts is said to have fully confirmed the extent and grade of ore estimated from surface drilling. The 500-ton mill unit is expected to be in operation in April, with initial tonnage, dependent on power available, likely between 150 and 200 tons a day. By Fall when power is available from the Dominion government's new Snare River development the rate will be stepped up to 300 tons and later 500 tons per day. The plant is designed so that ultimately it can be expanded to 2,000 tons daily, and rock excavation for a second 500-ton unit has been made.

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An ore reserve of over 2,373,000 tons, averaging 0.35 oz. (uncut) or 0.28 oz. (cut), allowing 20% dilution, was estimated to have been indicated by surface diamond drilling at Giant Yellowknife Gold Mines, preliminary to underground development. To the middle of last September limited underground work had disclosed an estimated 760,000 tons with an uncut grade of approximately 0.50 oz., while the South ASD zone, in the vicinity of the projected No. 3 shaft, was estimated to contain 750,000 tons averaging 0.25 oz. allowing 20% dilution. Anticipations now are that the original estimate of an average half ounce ore grade for the initial production may be somewhat improved, and for a moderate tonnage millheads may exceed $20 a ton. The grade of ore recently developed in the H. G. and North A. S. D. zones, particularly in the north of No. 2 shoot in the H. G. has been quite rich. First ore for the new mill will come from the No. 2 shaft and there is a large surface dump on hand. In this shaft it is expected the objective of 750 feet will be reached this month, and present intention is to establish two new horizons at elevations of 450 and 575 feet. On completion the shaft will be sufficiently deep to permit establishment of a third new level, which will allow five working horizons for development of the ore-bodies in the No. 2 shaft area.

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Production was resumed at the beginning of September at Thompson-Lundmark Gold Mines, near Thompson Lake, in the Yellowknife district, and the first month's output valued at $23,000. A truer picture of the millheads is expected from November production as the possibilities of the Kim vein become apparent. The long drive to the Kim vein was completed in October, cutting the vein 80 feet below the 600-foot level of the former workings, and present operations are largely based on the Kim vein, whereas previous production came from the Fraser vein. It has been recommended that the Fraser shaft be deepened 500 feet to develop three more levels, also to sink a prospect

BUSINESS AND MARKET FORECAST

Build Up Quality, Yield

BY HARUSPEX

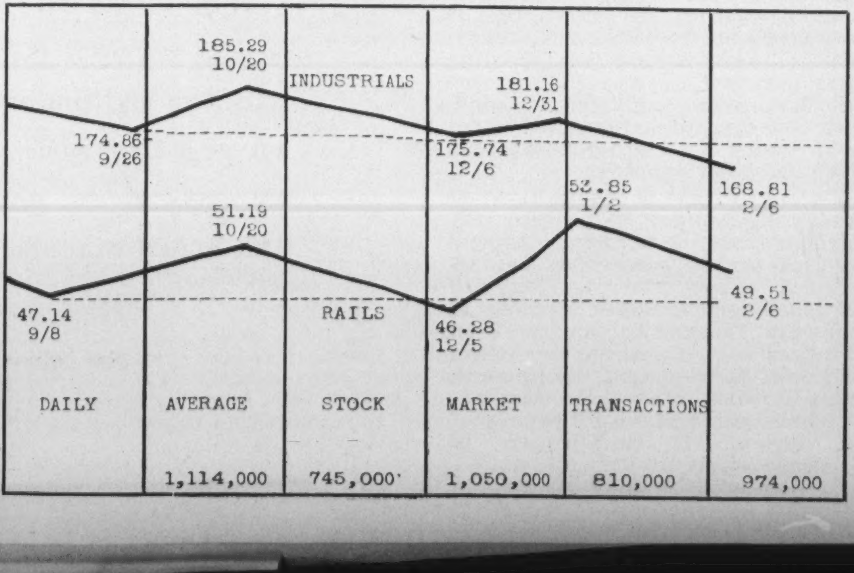
THE LONG-TERM NEW YORK MARKET TREND (which dominates the Canadian market): While the decline of 1946-7 went some distance toward discounting maladjustments in the economic picture, evidence is lacking that a point of fundamental market turnabout has yet been reached. The market decline of recent weeks, following several months of sidewise action, suggests that the intermediate movement may have turned downward with testing of 1946-7 bottoms a first objective.

The market decline initiated around mid-January continues. A feature of the decline to date has been the relatively better showing of the rail average which remains above its critical intermediate support point at 46.28 thereby withholding confirmation of the weak showing of the industrial average in selling decisively below its similar support point of 174.86.

While we have previously pointed to the inability of the market, over recent months, to respond to constructive earnings and dividend news as an unfavorable omen, and, while our attitude toward the broad outlook remains conservative, it is yet too early to say that the market is now resuming the main downtrend. If such is the case, however, a likely point of first support for worthwhile rally would be around 165/163 on the industrial average—this being the area at which the 1946 and 1947 drops were stopped.

In any event, pending further unfoldment of the price movement, we can only repeat our advice of past months, namely, that of following a cautious course, with cash or buying reserves ample and stock transactions aimed, not at increasing positions but, rather, at grading up the quality, yield and longer-term potentialities of retained holdings.

DOW-JONES STOCK AVERAGES



J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
Toronto Kirkland Lake

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Peace of mind depends largely on planning what you can save and saving what you plan. That's "budgeting." Open a Canada Permanent savings account. Regular deposits should be part of your plan. 2% paid on savings. Withdrawals by cheque.

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S. R. Mackellar & Co.
Established 1926
Members The Toronto Stock Exchange
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EXECUTIVE SECRETARY WANTED

An Executive Secretary for the newly formed Canadian Arthritis and Rheumatism Society with headquarters in Ottawa. The position requires demonstrated experience in organization work on a national scale, proven executive ability, a keen understanding of public relations and preferably some experience in a related field of health work. The Society is prepared to pay a salary commensurate with qualifications.

Written applications will be received up to March 15th, stating age, education, experience, references, salary required, and any other particulars which will assist in determining the applicant's qualifications for the position. Apply to the Canadian Arthritis and Rheumatism Society, Post Office Box 37, Ottawa.

G. W. GEDDES

general manager the Northern Life Assurance Company, in his remarks to directors at the recent annual meeting, pointed out the company now has reached the one million dollar mark of life insurance in force. A new home office building was also completed last year.

Thousands of tons of steel, copper and brass, urgently needed for Britain's production drive, are now being recovered by the breakdown of bombs, shells and ammunition of all kinds left over from the war. Picture taken at a Royal Ordnance factory in S. Wales, shows high-powered steam jets being forced into 1,000-lb. bombs, rendering the high explosive harmless so that it drains from metal case in almost liquid form.

shaft on the Treasure Island vein—the company's most spectacular surface discovery. The company's balance sheet as of June 30, 1947, shows current assets, including supplies, as $279,858, against current liabilities of $26,132.

•

Mining has done more than add to the shared wealth of this country; it has helped greatly in changing Canada's economy. From the time Indians first fashioned arrowheads from native copper, Canada has been, primarily, a producer of raw materials. But a generation has witnessed a gradual transition, for Canada, from an economy based largely on raw materials to an increasingly integrated industrial economy. The tremendous industrial expansion of World War II rapidly accelerated that transition and Canada, today, is both an industrial nation and a vast reservoir of exportable raw materials. This transition is in large measure due to Canada's mineral production. These vital raw materials, while still exported in large quantities, now form the chief basis for our future industrial expansion.

The Stock Analyst

By W. GRANT THOMSON

SUCCESSFUL investment depends on knowing two things: (1) What to buy (or sell) (2) When to buy (or sell). The Stock Appraiser—a study of Canadian Stock habits—answers the first question. An Investment Formula provides a definite plan for the second.

All active and well distributed stocks (with a few minor exceptions) advance or decline with the Averages. The better grade investment stocks do not normally move as fast as the averages, while on the other hand the very speculative issues have a relative velocity more than twice or three times as great.

The STOCK APPRAISER divides stocks into three Groups according to their normal velocity in relation to the Averages.

The Factors affecting the longer term movements of a company's shares are ascertained from a study of their normal habits. Predominant Factors are shown as:

GROUP "A"—Investment Stocks
GROUP "B"—Speculative Investments
GROUP "C"—Speculations

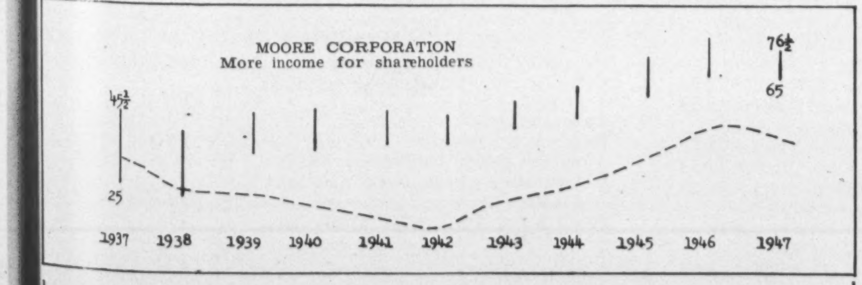
1. FAVORABLE
2. AVERAGE or
3. UNATTRACTIVE

A stock rated as Favorable has considerably more attraction than one with a lower rating, but it is imperative that purchases be made, even of stocks rated Favorable, with due regard to timing because few stocks will go against the trend of the Averages.

The Investment Index is the average yield of all stocks expressed as a percentage of the yield of any stock, thus showing at a glance the relative investment value placed on it by the "bloodless verdict of the market-place."

MOORE CORPORATION LIMITED

			Averages		Moore	
Price, 31 Dec. '47	$71.50					
Yield	4.5%	Last 1 month	Down	1.5%	Down	3.3%
Investment Index	115	Last 12 months	Down	4.9%	Up	2.8%
Group	"A"	1942-46 range	Up	160.0%	Up	105.1%
Rating	Above Aver.	1946-47 range	Down	23.1%	Down	19.7%



SUMMARY:—It has not been an easy matter for investors to maintain principal intact during the past 12 months. When bond prices sag and preferred shares sell sharply lower, it is hardly to be expected that common stocks will show many gains. But Moore Corporation is nearly 8% higher than the average stock during the past year.

It is, however, no higher in price now than when we last reviewed it four months ago and gave it a rating slightly above average, because it is a growth stock, and particularly because its Investment Index had been rising for more than twelve months.

Readers of these analyses were hardly surprised, therefore, when it was announced that the quarterly dividend had been raised to .75c per share. Holders of Moore Corporation will obtain, in 1948, a better yield than the 4.5% shown above as that return is based on the $3.25 paid in 1947.

We still see no reason why Moore Corporation should not be held in the equity portion of any well diversified portfolio.

The above vitally significant facts invite serious attention. They tersely emphasize the importance, as well as the magnitude, of the position mining occupies in Canadian life, and are gleaned from a handbook prepared by the Canadian Metal Mining Association. The booklet is addressed primarily to the companies comprising the association, which was reorganized in 1946, and represents the majority of the producing mines in Canada, large and small, in all branches of the industry, and is designed to become the focal point of the industry's strength and its voice in national affairs.

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Net profit of $9,635,752, equivalent to $3.49 per share, the highest in the company's history, is reported by Hudson Bay Mining and Smelting Company for the first nine months of the current year. This compares with net of $6,167,301, or $2.24 per share in the like period of 1946. A slight increase was shown in the tonnage milled. Earnings for the whole of this year appear likely to exceed $4.50, whereas last year's profit was equal to $3.21 per share, after allowing for depletion. Production of copper and zinc has been running slightly higher due to the temporary cutting off of custom copper concentrate shipments from Sherritt Gordon to the Flin Flon smelter. The ten-week strike at the neighboring mine has permitted Hudson Bay to handle a little more of its own ore.

•

As Hon. L. M. Frost, Minister of Mines for Ontario, recently pointed out in dealing with mining in 1947, "there was very little celebration in the gold mining industry." He points out that the return of the Canadian dollar to parity was the most severe blow ever dealt to gold mining in all its branches, "the prospecting situation has deteriorated ever since. Lack of attraction for risk capital has resulted in severely reducing development work in northern and northwestern Ontario. Dozens of properties under development have been forced to close down until such time as the situation improves. Less interest is being manifested in gold mining today than during the war years. The outlook for 1948 is not regarded with any degree of optimism by the gold mining fraternity. The prospector is discouraged." However, as the new year moves along the outlook for gold is being viewed more hopefully. The improved trend of labor conditions and the stimulus to output in the government plan should have beneficial results, although at the moment the industry in northern Ontario is experiencing new worries due to power shortages and demand for increased wages.

•

Net profit of $377,064, equivalent to 10.77 cents per share, as against $119,320 or 3.41 cents per share in the previous fiscal period, is reported by New Calumet Mines for the year ended September 30. The better prices received for its production were partially offset by a smaller tonnage of ore milled, due to labor supply difficulties, by higher costs and a slight reduction in the grade of ore treated. Ore reserves, although slightly down in grade and tonnage, have been fairly well maintained. Current assets at the year end totalled $763,559, as compared with current liabilities of $211,932. The company has outstanding $302,311 of unsecured notes, and no dividends may be paid until these have been paid in full.

•

Base metal producers had their most profitable year in 1947, but it was only in the last half, following the removal of price controls, that they secured worthwhile relief from the difficulties under which they had been operating. Prices commenced this year well above those prevailing a year ago and all indications point to an impressive gain in production. Prices for this year should average better and the markets may move into higher levels. Such companies as International Nickel, Noranda, Consolidated Mining and Smelting, Waite-Amulet, Normetal and Golden Manitou can be expected to provide greater output. In the case of Smelters it may be the later months of the year before the production of lead and zinc can be stepped up, but the period on the whole should be an outstanding one for this company. And assisting the Dominion in maintaining its place as the world's largest exporter of non-ferrous metals it is anticipated that the smaller base metal operators will play their part. Of interest is the fact that the domestic use of copper, lead and zinc, may rise substantially this year, the amount of copper consumed in Canada being likely to attain a new peak.

•

With the improvement in the labor situation MacLeod-Cockshutt Mines, in the Little Long Lac area, will now be able to rapidly extend development and increase production, Fred G. MacLeod, president, states in the annual report covering the year ending September 30. A considerable amount of mechanized equipment was purchased last year and the underground operations are now believed to be as extensively mechanized as any gold mine in the country. An operating profit of $15,697 was shown for the period, but after provision for depreciation and write-offs a net loss of $126,077 was reported, as compared with $305,523 for the previous year.

(Continued on Page 35)

Income vs Cost of Living

Return on invested capital is the main source of income upon which many Canadians rely. Recent increases in the cost of living have considerably reduced the purchasing power of this income.

One of our primary functions is to provide investments to yield the maximum return commensurate with adequate security.

Our facilities are available to investors to assist in the rearrangement of investment portfolios, to increase income and improve security as well as for the selection of securities for new investors.

Address enquiries to Department "F".

Wood, Gundy & Company
Limited
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Hamilton Montreal New York Kitchener
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WE ENCOURAGE AN OLD HABIT

BECAUSE IT'S SOUND

The habit of saving has been the foundation of material success through the ages. The modern way to *begin* is to open a Savings Account at a bank that is prepared to give you friendly help with your financial affairs.

We Encourage Savings Accounts

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"The Bank for You"

121-47

Silverwood Dairies, Limited

CLASS "A" DIVIDEND NO. 6

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of Fifteen cents (15c) per share has been declared on the outstanding Class "A" shares of the Company, payable April 1st, 1948, to shareholders of record as at the close of business on March 10th, 1948.

CLASS "B" DIVIDEND NO. 3

A Dividend of thirty cents (30c) per share has been declared on the outstanding Class "B" shares of the Company, payable April 1st, 1948, to shareholders of record March 10th, 1948.

BY ORDER OF THE BOARD
L. R. GRAY,
Secretary.
London, Ontario February 6th, 1948.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Seventy-Five Cents (75c) per share, payable in Canadian funds, has been declared by the Directors of NORANDA MINES, LIMITED, payable March 15th to shareholders of record at the close of business February 13th, 1948.

By Order of the Board.
J. R. BRADFIELD,
Secretary.
Toronto, February 4th, 1948.

ABOUT INSURANCE

Why Life Insurance is a Safe Means of Providing for Future Needs

By GEORGE GILBERT

Life insurance is able to meet its guaranteed obligations at all times whenever they become due because it is based and operated on the fundamental principle of carrying out its contracts in full without deduction or abatement or possibility of repudiation.

Life insurance is also surrounded with public safeguards in the way of Government inspection, solvency, deposit and reserve requirements which ensure that those institutions licensed to transact life insurance in this country will always be able to meet their Canadian obligations in full.

A QUESTION often asked is: What makes life insurance such a safe form of protection against the two risks which face most income earners—the risk of premature death and the risk of an incomeless old age? There is no question that people in all ranks of life in ever-increasing numbers have come to depend upon it as a means of replacing personal or business income lost through early death, and also as a means by which at the same time they can safely invest their savings in order to meet needs in later life that they may not then be able to meet out of their earnings, or when earnings have ceased altogether through retirement.

It is no accident that life insurance has been established on such a sound and permanent basis that it can successfully weather the strains and stresses caused by wars, epidemics, periods of booms and depressions, inflation and deflation, low interest rates, etc., and continue to pay one hundred cents on the dollar of all the values guaranteed under its contracts. Its proved reliability, now so well recognized that it is pretty generally agreed that no better or safer means are available by which the bulk of the people can make sure provision for their own and their family's future, is not the result of any fortuitous circumstances.

Necessary Safeguards

It was early recognized by those engaged in the business and by legislators that life insurance, with its contracts extending in many cases over long periods, was affected with a public interest, and that specific safeguards were necessary, and they are now embodied in the license, deposit, solvency and reserve provisions of our insurance laws with which all licensed companies in this country must comply.

No other business that comes to mind is so surrounded with public safeguards and whose transactions are such an open book, as the life insurance business. As far as the companies doing business in Canada under Dominion registry are concerned, most complete details of their business and investment transactions during each year must be furnished the Government at Ottawa, and this information is then published in the annual detailed report of the Dominion Superintendent of Insurance and so made available to the public. Nor is any other business subject to such searching and efficient yearly examination of its affairs by competent Government officials.

Besides a financial statement showing in detail the assets and liabilities, the income and disbursements, each company must furnish complete details of the business transacted during the year, showing, for instance, the number, gross amount and net amount of the new policies effected, the number and net amount of the policies in force, the number and amount of policies becoming claims by way of death or maturity, the net amount of claims paid, and the amount of outstanding claims under contracts.

In addition, each Canadian company must furnish a statement showing the basis upon which they value their policy and annuity liabilities, the mortality tables and annuity tables and the rate or rates of interest used in the valuation.

Securities Bought and Sold

Each Canadian company must also furnish a statement showing in detail all stocks, bonds and debentures and other securities bought and all loans made, except mortgage and policy loans, during the year, specifying the amounts, dates of issue and maturity and par value thereof, the rate of interest payable thereon and the price paid therefor, and in the case of loans made, except on mortgages of real estate or insurance policies, particulars in detail of the security therefor, and showing also in detail all such securities sold or disposed of during the year, specifying similarly the amounts, dates of issue and maturity and par value thereof, the value in account thereof, the rate of interest payable thereon and the price or consideration received therefor.

Every life company operating under Dominion registry must furnish a statement showing the rates of dividend apportioned to policyholders during the year or at the last previous allotment in the case of certain British companies. A statement is also required from each company showing the gross new insurance effected and the amount terminated in each of the following ways: by death, by maturity, by disability, by surrender, by lapse, by decrease, by transfer to annuities and by other miscellaneous ways.

Another statement required shows the nature of the new business effected, and of the business in force of each company, that is, the number and amount of the whole life and limited payment life policies, the number and amount of the endowment policies, and the number and amount of the term and other policies. The amount of bonus additions is also shown in the case of each company.

Disability Business

Details are also required from each company of the additional accidental death benefits included in their policies, showing the amount effected, the amount terminated and amount in force at the end of the year. A statement is also required from each company showing the amount of insurance in force which includes disability benefits, prior to disability, and likewise showing the amount in force which includes disability benefits, after occurrence of disability.

Full details of the annuity business transacted is likewise required from each company, showing the number and annual payments of the new annuities effected during the year and the number and annual payments of those in force at the end of the year. The annuities are divided into deferred annuities, vested annuities involving life contingencies, and vested annuities not involving life contingencies. New annuities and annuities in force arising out of life insurance policies are also required to be shown by each company.

Every Canadian life company is required to keep separate and distinct accounts of participating and non-participating business and a statement is required from each company of these funds on a revenue basis. The statement shows the amount of the participating fund, the amount of the non-participating fund, the amount of the shareholders' surplus, the amount of paid-up capital, the amount of special reserves, the amount of staff benefit funds, the amount of other funds, if any, the amount of total funds, the amount owing by the company and the amount of the total admitted assets.

J. K. MACDONALD

Elected a Director of The Toronto General Trusts Corporation at the Board meeting on Tuesday, February 3rd. Mr. Macdonald is President of Confederation Life Association, a member of the Executive Committee of Dominion Mortgage & Investment Association and a Director of Dominion Scottish Investments Ltd.*

FIDELITY
Insurance
Company of Canada

Consult your agent or broker as you would your doctor or lawyer

TORONTO

Inquiries

Editor, About Insurance:

I would like to obtain some information about the Canadian Alliance Insurance Co. of Montreal. How long has it been in business, and what is its capitalization? What are its assets and liabilities, according to government figures, and what classes of insurance does it transact?

—C.J.H., Sherbrooke, Que.

Canadian Alliance Insurance Company, with head office in Montreal, was incorporated in 1937 under Quebec Letters Patent, but took out a Dominion charter in 1943 and since then has been operating under Dominion registry. Its authorized capital is $1,000,000; its subscribed capital is $500,000, and its paid up capital, $100,000. In addition, $100,000 has been paid as premium on capital. According to latest published Government figures, its total assets at the end of 1946 were $388,086, made up as follows: Bonds and debentures, $278,510; cash, $58,798; interest accrued, $1,177; agents' balances, $56,601. Its liabilities except capital totalled $166,599, made up of: Reserve for unsettled claims, $15,044: unearned premium reserve, $177,306; sundry liabilities, $29.137. Thus there was a surplus as regards policyholders of $166,599, and a net surplus over paid up capital and all liabilities of $66,599. The company transacts the business of fire insurance and is safe to insure with. All claims are readily collectable.

T. C. GRAHAM, who has been elected a Director of J. D. Woods & Gordon Limited, Management Consultants.

Mr. Graham is a graduate in mechanical engineering and a former member of the teaching staff of the University of Toronto. He has been a member of the staff of Woods & Gordon for ten years except for Service overseas with the R.C.E.M.E. *

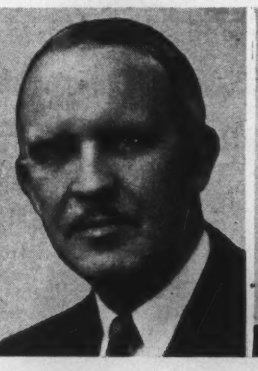
THE
Casualty Company of Canada
HEAD OFFICE - TORONTO

E. D. GOODERHAM, President
A. W. EASTMURE, Managing Director

AGENCY OPPORTUNITIES
IN SOME TERRITORIES THROUGHOUT CANADA

Appointments by Toronto General Trusts

A. Roy Courtice



H. Basil Morphy

Gordon F. McKitterick

The Toronto General Trusts Corporation announces the following appointments. Mr. A. Roy Courtice, formerly Trust Officer, has been made an Assistant General Manager. He is a graduate of Toronto University and Osgoode Hall; following active service in the First Great War, he was called to the Ontario Bar in 1920, and joined the Corporation in 1928. Mr. H. Basil Morphy has been appointed Secretary; joining the Corporation as a junior in 1902, he became Transfer Officer in 1915 and Superintendent of the Stock and Bond department in 1924. Mr. Gordon F. McKitterick, who joined the Corporation in 1917, succeeds Mr. Morphy in charge of the Stock and Bond department. *

Pilot Insurance Company
(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET
December 31, 1947

ASSETS	
Bonds and Debentures at amortized Book Value	$1,429,577.65
Cash on hand and in bank	112,374.18
Agents' Balances and Premiums Uncollected (Net)	191,462.23
Interest due and accrued	8,532.96
Due from Reinsurance Companies	12,695.27
Employees' Balances Receivable (secured)	4,143.45
Cash Surrender Value of Endowment Policy	20,850.00
Refundable Portion of Excess Profits Tax	16,347.92
Receiver General of Canada, Claim on Overpayment of Income and Excess Profits Taxes	19,518.69
	$1,815,502.35

LIABILITIES		
Provision for unpaid claims		$ 320,933.62
Reserved for Unearned Premiums at 80%		659,431.16
Expenses due and accrued		6,952.36
Reserve for Taxes		19,031.30
Agents' Credit balances (Net)		44.22
Reinsurance Premiums due and unpaid		14,078.88
Reserve for Depreciation of Securities		35,000.00
		1,055,471.54
Capital Stock— Authorized 15,000 shares of $20.00 par value. Issued and paid up 10,225 shares	$204,500.00	
Surplus	555,530.81	760,030.81
		$1,815,502.35

NORMAN G. DUFFETT
Vice-President and General Manager

H. E. WITTICK,
Secretary

To the Shareholders,
Pilot Insurance Company, Toronto.

We have audited the accounts of your Company for the year ending December 31, 1947, and certify that our requirements as Auditors have been complied with.

The annexed Balance Sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of your Company's affairs at December 31st, 1947, and as shown by its books.

January 22, 1948.

EDWARDS, MORGAN & CO.,
Chartered Accountants.

News of the Mines

(*Continued from Page* 33)

As at September 30, current assets were $669.635 against current liabilities of $98,544, leaving net working capital of $572,091. Ore reserves of 845,614 tons grading 0.203 oz. compared with 1,030,000 averaging 0.202 oz. at the close of the previous 12 months.

•

McIntyre Porcupine Mines reports net profit of $2.20 per share for the nine months ending December 31, the first three-quarters of the company's current year, as against $1.83 in the like period of 1946. Net income of $1,755,824 in the three quarters of 1947 compared with $1,459,555 in the same nine months of the previous year. In the December quarter earnings were 76 cents per share against 70 cents in the previous three months and 74 cents in the first quarter of the year.

•

An interim dividend of 75 cents per share has been declared by Noranda Mines, payable on March 15 to stockholders of record February 13. In 1947 four quarterly dividends of 50 cents each were distributed, prior to which a rate of $1 per share had been paid at three-monthly intervals since the beginning of 1939.

•

Estimated net profit of Teck-Hughes Gold Mines for 1947 is 8.32 cents per share compared with 14 cents in the previous year. Some 20 per cent less ore was treated, but the grade was considerably better and gross production for the year showed only a small decline. Operating costs however, were higher and earnings sharply reduced. Of the net profit of 8.32 cents, 5.8 cents per share was represented by dividends from Lamaque Gold Mines. Dr. D. L. H. Forbes, president, states that considerable reconditioning and lateral development in waste rock remains to be done on levels between 25 and 40, and this work is being given priority over production until new ore being developed corresponds with ore extracted from the mine. At the end of the year the estimate of positive ore reserves was 250-247 tons, a decrease of 5 per cent.

•

A temporary suspension of all mining operations at Norbenite Malartic Mines has been decided upon by the directors. A mill of 500 tons capacity is said warranted when finances can be arranged for its erection. The sum of $700,000 has been expended on the property and indicated reserves of $600,000 tons grading $6 a ton are reported, with possibilities of increasing this substantially. The closing down is due to present market conditions, which preclude the possibility of the necessary financing at this time, the short period of the government cost-aid program, shortage of materials, embargoes and controls. A resumption of operations will await a more favorable market situation, an increase in the price of gold, or a discount for the Canadian dollar in terms of United States currency. The property, buildings and equipment, in the meantime, are being kept intact and in good condition.

•

Plans for the early re-opening of the mill at Powell Rouyn Gold Mines is under consideration, either to treat custom ore or to take care of Powell's production in excess of the requirements of the Noranda smelter. Miners are in greater supply and it is expected both development and production will be gradually increased. An operating loss of $12,463 resulted in the three months ending December 31, the third quarter of the company's current fiscal year. This does not take into consideration any additional revenue (estimated at $4,000) which will accrue to the company for December under the government's gold assistance plan.

•

Ontario's gold mines in 1947 milled 7,652,148 tons of ore and recovered 1,908,403 ounces of gold, 338,779 ounces of silver for a value of $67,051,108. The comparable figures for 1946 show 7,223,430 tons of ore milled and 1,775,016, ounces of gold, as well as 340,239 ounces of silver were recovered for a value of $65,463,142. The percentage increases for 1947 over 1946 were: 5.94% in tonnage handled, 7.51% in gold ounces, and 2.43% in value. There was a decrease of .43% in silver ounces recovered. December statistics were generally at a new high since the middle of the year.

•

Net earnings of Kerr-Addison Gold Mines are calculated at 41.27 cents per share for 1947 as compared with 29.27 cents in the previous 12 months. Estimated net profit for the fourth quarter was 9.69 cents per share as against 9.27 cents in the preceding three months. Milling operations in the final quarter were at a record high rate of 2,223 tons per day. Construction work continued to fall behind schedule and the start of mill steel erection was held up until January 26.

•

Lamaque Gold Mines, in the Bourlamaque area of Quebec, controlled by Teck-Hughes Gold Mines, had earnings of 16.6 cents per share in 1947 as compared with 9.7 cents in the preceding 12 months. Last year the company milled 209,495 tons, an average of 574 tons per day for gross production of $1,785,746 or $8.52 per ton. In the previous year, when 145,315 tons were treated, or 398 tons daily, output was $1,357,938, equal to $9.34 per ton. The ore reserve position is said to be practically unchanged at the close of the year.

Growing Trust Company Business
Built on Service and Public Confidence

Assets Increase $44,000,000 to $945,000,000
Moderate Profit of $452,000 - Higher Operating Costs

BOARD OF DIRECTORS

HUNTLY R. DRUMMOND
Honorary President

ROBERT P. JELLETT
President

ROSS CLARKSON
Vice-President

The Hon. C. C. Ballantyne, P.C.
LaMonte J. Belnap
Frederic E. Bronson
George A. Campbell, K.C.
D'Alton C. Coleman, C.M.G.
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James A. Eccles
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Joseph A. Kilpatrick
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The Hon. S. C. Mewburn, K.C.
Herbert W. Molson
The Hon. Alphonse Raymond, LL.D., M.L.C.
Henry E. Sellers, C.B.E.
Charles F. Sise
Walter M. Stewart
The Hon. L. A. Taschereau, K.C., LL.D.
Austin C. Taylor, C.B.E.

Outstanding Figures from
48th ANNUAL REPORT
for the year 1947

EARNINGS *From fees and investments*	*(Up $285,000)*	$3,737,000
EXPENSES	*(Up 291,000)*	3,009,000
PROFIT *Before taxes*	*(Down 6,000)*	728,000
TAXES	*(Down 18,000)*	276,000
NET PROFIT	*(Up 12,000)*	452,000
DIVIDENDS	*(Unchanged)*	380,000

CAPITAL, RESERVE AND SURPLUS
$8,210,000

ASSETS UNDER ADMINISTRATION
$945,000,000

From Annual Meeting Addresses, 10 February, 1948

Probably our greatest immediate problem is that of inflation. Until this is solved, neither Canadian business nor Canadian citizens can know any real stability or security. Yet the solution is becoming increasingly clear, though there continues to be a certain failure (or perhaps a certain refusal) to face and accept it. It is production, and production alone, that in the end will provide inflation with its sufficient answer. Only when the amount of goods is brought more nearly up to the demand will prices find their proper and reasonable level.

There is no other way. And there can be only anxiety over the continuing popular tendency to look to some method or plan, some control or regulation, which may adjust prices without increased production and without the greater effort that increased production requires. The reimposition of regulations or controls, so far from providing an effective solution to inflation, would more likely only delay or discourage the higher productivity which is so urgently needed. If we are ever to get out of our inflationary troubles, we shall have to work our way out. We cannot sit our way out. Our ultimate deliverance will not come about by "doing without" so much as by "doing more".

Some economists in this country, as in other lands, have recommended that inflation be counteracted by high taxes. Some indeed, even go so far as to suggest that taxes should be increased until inflation is mastered. Surely this is a fundamentally mistaken approach. For high taxes, more perhaps than anything else, depress incentives; and if production is to be stimulated, the extra effort must receive the extra reward. To expect people to work harder, and to be practically penalized for doing so, is not to deal in the realities of human nature in a free society.

What I have said illustrates the need to tax in the most intelligent way, with a view to giving personal effort and thrift and the accompanying productiveness, every reasonable encouragement. The only way to increase national wealth or to control inflation is by increasing the industry of the citizens. The only true prosperity is in production, and the best encouragement of production is the rewards won by the citizens in freedom.

ROBERT P. JELLETT, *President.*

The principal business of the Company, that of administering estates and trusts, again shows marked expansion, and the rate at which new Wills are being filed with us has been accelerated by the wider services which we are providing to assist people in analysing their estates and in planning their Wills prior to having them drawn by their lawyers or notaries.

The duties of an Executor and Trustee continue to grow more complex and onerous with high taxation, heavy succession duties, numerous governmental returns, and low rates of interest on investments, but our basic charges or the fees allowed by the Courts for administrative work and responsibility have not been adjusted for many years. The cost of our services to clients is, therefore, relatively less than ever before, and we believe an appreciation of this, by the public, is manifest in the growth of our business.

The slight firming of interest rates which has been noticeable in recent months is a welcome development, and one which is of direct benefit to our clients. This change is overdue, and, as a matter of justice to investors, we hope that the pressure on interest rates will be eased somewhat further.

In every business and profession the tendency towards specialization is steadily increasing, and it is our constant aim to train and develop sufficient officers and staff to enable us to render service to our clients that is, first of all, personal and understanding, and, secondly, expert in each of the various fields of trust company work. The Executive Officers of the Company, the Managers, Assistant Managers and Secretaries of our Branch offices, our Department Heads and their experienced assistants are always available for consultation and are ready and willing to help clients in every way possible.

The size of our organization and the extent of our business enables us to give the greatest value in services rendered for the remuneration received. Our experience and record are assurance that the affairs of those who put their trust in us will be handled with a high degree of efficiency, and of course in strictest confidence at all times.

ROSS CLARKSON, *General Manager.*

THE ROYAL TRUST COMPANY

OFFICES ACROSS CANADA FROM COAST TO COAST

Halifax
Saint John
Quebec
Montreal
Ottawa
Toronto
Hamilton
Winnipeg
Calgary
Edmonton
Vancouver
Victoria

St. John's, Newfoundland
London, England

Addresses by Mr. Charles McCrea, K.C., President and Mr. W. G. Watson, Vice-President and General Manager

Sixty-Sixth Annual Report

TORONTO GENERAL TRUSTS

Report Steady Progress in 1947

Assets Under Administration Now Total $300,000,000

PRESIDENT

The President, Mr. Charles McCrea, K.C., in moving the adoption of the Report, said in part:—

Your Board and Executive are here to-day to present the annual account of their stewardship. We have enjoyed an excellent year and our reports show sound and continuous progress. Mr. W. G. Watson, our General Manager, has given you an explanatory review, supplementing the report on behalf of the Board to the Shareholders. I am happy to extend to him the congratulations of the Board and, I am sure, of the shareholders, on the fine achievement of himself, his loyal staff in all branches, as well as to our competent and helpful Advisory Boards.

PEACE PLANS FRUSTRATED BY RUSSIA

To-day we stand on the threshhold of what promises to be an eventful year in the history of the world. At our last Annual Meeting, we looked forward with hope to the finding of a peace formula for the nations of the world with great expectations of the blessings of peace to follow. While such expectations have failed of realization, the prolonged discussions of the United Nations and the meetings of the "Big Four" both at Paris and at London have demonstrated that we have come to the end of an illusion. That illusion was that there could be a community of interest between a free society, such as we enjoy, and a communist conspiracy aimed at the destruction of free society.

SECOND MARSHALL PLAN

The protracted effort to find a formula embracing the world has been irritating and disturbing to the oppressed and to Governments of the western world, and has developed acute economic situations among the free nations. Many of its governments may be called "governments of emergency", facing situations as they arise from day to day but unable to advance along stable lines. Emergency help had to be granted to France and Italy, and other places, to tide them along, in the face of strikes and danger of revolution. So keen was the pressure in France that they have been forced to a devaluation of the franc which is likely to produce repercussions in other directions. Loans made by the United States to the United Kingdom, and loans made by Canada to the United Kingdom and other countries, are almost exhausted. There is trouble in many parts of the globe, and while the situation is far from hopeless there will be anxious days ahead of all countries in 1948. In the meantime a modified Marshall Plan has been proposed on the basis that free nations of Europe should be extended needed aid and consolidated into a western world outside the "iron curtain." This proposal is now before a special session of the United States Congress and it is but truth to say that all of the western world is anxiously waiting a satisfactory outcome.

CANADA PROSPEROUS IN 1947

Canada has enjoyed in large measure a valuable export trade. World demand for our products for consumption and for a rehabilitation of industrial life abroad has been the primary cause. Payment for our exports has come largely out of loans made by Canada to the United Kingdom and other countries, and by the United States to the United Kingdom. Canada is geared to an all-time high industrial capacity, and our future in 1948 will be closely tied to sales of our industrial products in markets which are able to pay for them.

EXPORT-IMPORT POSITION

Our export-import trade position is interesting. Canada's total exports of Canadian products for 1947 (January to December inclusive) excluding non-monetary gold amounted to $2,774,000,000. These exports are divided as follows:

To the United States	$1,040,000,000
To non-dollar areas (including $751,200,000 to the United Kingdom)	$1,734,000,000
	$2,774,000,000

This is an increase of $462,000,000 over 1946, and an increase of $1,936,400,000 over 1938, the last year prior to the war.

While the figures are not available to the end of December, 1947, for our imports, nevertheless from the period January to November inclusive our total imports for consumption were $2,379,800,000 of which total some $1,833,000,000 came from the United States, and $546,800,000 from non-dollar areas including $169,100,000 from the United Kingdom. It will be readily seen that our purchases from the United States are very much higher than their purchases from us. On the other hand, our exports to non-dollar areas largely on the strength of Canadian loans to these countries are of much greater value than our imports from them.

In order to offset the large unfavourable trade balance with the United States, Canada for her protection is substantially reducing imports from that country. This is an emergency measure made necessary by the long wait to find a peace formula and our excessive purchases in the United States. To pay for the excess purchased from the United States, we have been drawing heavily on Canada's holdings of U.S. dollars and gold. On July 5, 1946, the Dominion Government declared a parity of exchange between the United States and Canadian dollar. At that time Canada had on hand $1,624,000,000 American dollars. Because of unfavourable trade balances since that time between Canada and the United States, our Canadian holdings of U.S. dollars had dropped at the end of November, 1947, to $480,200,000. From January to November, inclusive, in 1947, we had a deficit in trade with the United States of $884,200,000. To sum up:—

1. Canada's export business for 1947 played a large part in Canada's prosperity.
2. This export trade was predicated largely on the loans extended by Canada and, indirectly, loans made by the U.S. to our purchasers.
3. Further Canadian loans to carry our export trade are debatable.
4. Our parity of exchange with the United States is slowly but surely wiping out Canada's reserve of U.S. dollars.
5. Canada will not participate directly in the Marshall Plan but can hope to share in its benefits indirectly by being able to sell its products in countries receiving American dollars.

POSITION OF GOLD MINING INDUSTRY

Canada has enjoyed an excellent sale of its agricultural products, its pulp and paper products, its fishery products, its base metal products of copper, zinc, lead, asbestos, nickel and iron; but one of our basic industries, namely, gold, has been fighting a losing battle. The loss of $3.50 an ounce when Canadian exchange was moved to parity with that of the United States in July 1946, rising costs of labour and supplies, and in many cases lack of efficient labour, have been a substantial detriment to the gold industry, to the towns and villages dependent upon it, to the prospector and to the allied industries who contributed industrial products for use in mining. Present signs indicate that there will be some help from the proposal of the Dominion Government to pay a portion of the costs of the production of an ounce of gold where such costs exceed $30.00 per ounce. Some mines will benefit substantially, others little, but under existing world conditions it is a gesture of recognition to an industry that has played an outstanding part in Canada's economy. Signs are not wanting, however, to indicate that gold is destined to march back to its old-time place as arbiter of currencies, and Canada has much to hope for the re-establishment of hard money and its consequent reflection on our gold production.

CO-OPERATION WITH U.S.A. AND COMMONWEALTH

Our world of free society looks forward to the stability of a freedom-loving world, bulwarked and protected by the Christian principles on which our western world was founded and built. It is important for us to promote, encourage and strengthen the bonds of friendliness, goodwill, not only with all nations who reciprocate but particularly between the great and powerful United States to the south and the great British Commonwealth of Nations. In co-operation with these world powers, and moving together in trust and friendship, we can exert a powerful influence in shaping the destiny of the world of tomorrow.

FUTURE FOR TRUST SERVICES

Your Corporation looks forward confidently to Canada's expanding future. We shall continue to play our part in advancing its growth and participating in its success. In the complex financial and commercial civilization of which we are all a part there is increasing need for the services of your Trust Corporation. I heartily commend it to your consideration.

GENERAL MANAGER

The General Manager, Mr. W. G. Watson, said in part:—

STEADY GROWTH IN ASSETS

The Sixty-Sixth Annual Report of the Corporation, which is in your hands, marks again with clarity the steady progress which we are enjoying.

Another milestone has been set up in the history of the Corporation in passing, as we did in 1947, the $300 million mark in total Assets under Administration.

The figures in the following table record our steady growth during the past decade, which period includes the tragic years of World War II; and bear witness to the ever-increasing confidence which the public across Canada places in the Corporation in the administration of estates, investment of Trust funds and in acting as Agent in personal and corporate capacities.

Total Assets under Administration

As at December 31, 1937	$237,501,000
As at December 31, 1942	250,573,000
As at December 31, 1947	300,124,000

SHAREHOLDERS' FUNDS

The Capital account, or our Shareholders' funds, at $6,053,363 shows a net increase for the year of $111,199.

In Montreal, where we have completely outgrown our present space in the Yorkshire Building on James Street, we are glad to inform you that a new three-storey office building is well under way on the Southwest corner of Notre Dame and St. Peter Streets, a site which we acquired some two years ago.

GUARANTEED TRUSTS ACCOUNT

With the continuing difficulty in obtaining satisfactory media of investment for new funds at yields commensurate with what your Directors have set as fair rates of return to our investors in Guaranteed Certificates and Savings depositors, we have restricted the growth in this Section of the Balance Sheet during the past year to conservative proportions.

This Section of the Balance Sheet shows a total of $22,724,229, or a net increase of $1,112,509.

The market value at the end of the year of all securities of the Dominion of Canada, Provinces and Municipalities of Canada held in the Capital and Guaranteed Trusts Sections was substantially in excess of the book or cost value at which they are held.

Our liquid position in relation to Savings on deposit at 153% is a high record.

ESTATES, TRUSTS AND AGENCIES ACCOUNT

The total Assets under Administration in this Section at $271,347,000 represent an increase for the year of $2,644,686.

The importance of this Section, which represents the primary function of the Corporation, is illustrated by the fact that the year's net increase in Assets under Administration, as shown above, is arrived at after deducting from the new business assumed during the year, totalling $28,921,161, all capital disbursements by way of distributions to beneficiaries which became payable during the year, succession duties, estate debts, etc. together with income payments in connection with all estate, trust or agency accounts under our administration.

ESTATE PLANNING

Estate planning for substantial estates has become a recognized and important function of modern trust company service. Its purpose is to make property more useful to those who own, or are to have benefit of it. It is a practical and scientific approach to the best arrangement of one's assets during his lifetime, with a view to their ultimate disposition by Will.

One of the principal factors, although not always the most important, is of course the tax position under various agreements. As a rather striking example of what may be accomplished in this regard, we may indicate the tax saving in two plans of arrangement in an estate of $250,000.

In Plan No. 1, the estate is left outright by Will to the wife and at her death she passes the residue by her Will to two children. The total succession duties under this Plan are approximately $95,200.

In Plan No. 2, gifts totalling $50,000 are made to two children, which if spread over ten years are free of gift tax; an annuity of $1,200 is provided for the wife through a living trust or life insurance settlement; and a life interest in the residue of the estate is left by Will to the wife with remainder to the children at her death. Provided the testator lives for five years after this Plan is effected, the total succession duties under this Plan are approximately $32,000. This is a saving of some $63,200 over the first Plan.

Our Estates Analysis Department, which has been in operation for over twenty years, is well equipped to give practical information and assistance in these matters.

BUSINESS INTERESTS

A business interest, either a sole proprietorship or a majority holding of a private business enterprise, often forms a substantial part of a man's estate. In such cases, special consideration should be given now by the owner as to how best this can be handled when his estate falls in for administration. In many of these cases, there is also the problem of preserving the business and at the same time providing sufficient estate liquidity to pay the succession duties. Where this problem exists it is not realistic for the owner to ignore it during his lifetime.

TRUST COMPANY FEES

There still seems to be considerable public misunderstanding as to the fees of a trust company in acting as executor and trustee in the administration of an estate, and an impression that they are too expensive to be of interest to the man of average means. An investigation will show that this misunderstanding has no basis in fact, and that the volume of trust company administration of small or average sized estates—with this company as with others—has shown a steady increase. The fact is, the corporate Executor and Trustee is under the same obligation as a private Executor to pass its accounts and have its compensation fixed by a Judge in the presence of the beneficiaries if they wish to attend.

AGENCIES AND TRUSTS

Our Corporation also offers a great variety of agency service, both personal and corporate. We now announce a new agency service, known as "An Investor Service", for your securities. Many men are finding that they have neither the time nor the knowledge required to give proper attention to their investments under to-day's conditions, and that they can more profitably delegate this work to a fully qualified and experienced agent.

Under this new agency agreement the Corporation will, in addition to collecting and distributing income and re-investing capital as you may direct, at least once in each calendar year give you the benefit of a review of your securities portfolio, and from time to time make suggestions as to sales, retentions, purchases and such other action in respect thereof as may appear advisable in your interests.

The fees for an agency service of this kind are less than those of a trustee in the administration of an estate or trust for the reason that the trust company assumes very different responsibilities under the two relationships.

NEW LEGISLATION

A most important item in the field of taxation is Bill 454 providing for a complete overhaul of the Federal Income Tax Act with a view to consolidating and clarifying its provisions in addition to the introduction of important amendments. No other taxing statute is of such concern to the people of Canada, and the Dominion Government is to be commended for the procedure it has adopted in connection with its revision.

The Trust Companies Association of Ontario is preparing a brief on the taxation of estates, trusts and gifts, which will make submissions in the public interest to the Minister on the relevant sections of the Bill. The second reading of the Bill and its discussion in the House will be awaited with interest.

CHARITIES

Ontario gives generous encouragement to those who are charitably minded by exempting bequests to Ontario charities from succession duties. Not only is the gift itself exempt, but the value of the gift is immediately excluded from the aggregate value of the estate which determines the rate of taxation for the remainder of the estate.

Under the Dominion Succession Duty Act, charitable gifts are themselves exempt from taxation but only after three years are they excluded from the aggregate value of the estate which, as above explained, determines the rate of tax. Furthermore, charitable gifts, whether by Will or within three years from the date of death, are exempt only up to fifty percent of the value of the estate.

We believe that the Dominion Government should amend its Succession Duty Act in line with Ontario to grant full exemption to all gifts made for charitable purposes in Canada.

HIGH COST OF NEW HOUSING

Unhappily, costs have continued to rise with the result that while the need for new homes has not been met, many houses—some already finished and more nearing completion — remain unsold in different cities in Canada because of prohibitive prices. This situation, together with excessive costs of other finished products, is already being reflected in an important number of unemployed in certain of our Canadian cities. It would be serious if through misunderstanding or lack of co-operation we should have to learn the hard way, that in the end no one gains when the cost of any commodity reaches figures beyond those economically sound or above the price the consumer can afford to pay.

Our economy can stand reasonably short hours and high wages, but it cannot long continue without a serious break where high wages or salaries are being paid for a day's production by the individual which in many cases is not more than sixty percent of his day-to-day production just prior to the war. This situation is not limited to any one class or group of workers, but is widely extended. Indeed, in talking to a prominent lawyer recently, I suggested he was not getting anything like the former production from his office staff, and his reply was, "I don't even get it from my partners".

Whether as employees in any capacity throughout Canada we, as individuals, consciously or otherwise reduce our day-to-day production, or, as employers, unnecessarily increase the sales price to the consumer, we are contributing directly to the increasing cost of living to ourselves as well as others and adversely affecting our ability to sell our goods in foreign markets.

No country in the world has a finer opportunity than Canada for a high standard of living with the war-effort record we enjoy and our international reputation for fair dealing with other countries; provided employer and worker alike join hands in a great united effort to face the facts and pay the price in work and understanding for a truly great national achievement in the interests of all.

THE **TORONTO GENERAL TRUSTS**
CORPORATION
HEAD OFFICE: 253 BAY ST., TORONTO
BLOOR ST., TORONTO MONTREAL OTTAWA WINDSOR WINNIPEG REGINA SASKATOON CALGARY EDMONTON VANCOUVER